

Changes to Rental Housing Code (TMC 1.95), Effective July 23,2023

New Requirements for Landlords:

- 120-day written notice needed before increasing rent
- New standards that apply to shared housing arrangements
- Standardization of tenant screening criteria
- Limitations on imposing late fees and withholding pet damage deposits
- Stronger business license, health, and safety requirements
- New rental agreement regulations
- Requirement to advise tenants of option to pay move-in fees in installments

New Protections for tenants:

- Double the amount of notice for rent increases, from 60 to 120 days
- Greater protections for subleasing tenants in shared housing arrangements
- Established maximum income-to-rent ratios
- Elimination of blanket bans on felony or drug convictions and arrest records
- Landlords prohibited from using Social Security Numbers as the sole tenant screening method
- No late fees exceeding 1.5% of monthly rent with a maximum limit of \$75 per month
- More time to pay move-in fees
- Landlords prohibited from pursuing eviction or increasing rent without a current City business license or if the unit is dangerous or unsafe
- New limitations on pet restriction

Summary of changes

Notices to Increase Rent:

A 120-day written notice to the tenant will now be required. Subsidized housing and deed-restricted affordable housing are exempt from this requirement.

Standardized Tenant Screening Criteria:

Landlords cannot:

- Exceed maximum income-to-rent ratios [Note: The City establishes its limits on income-to-rent ratio based on Fair Market Rent (FMR) – or what someone would

typically pay for a moderately priced unit in a given area.]

- Place blanket bans on prospective tenants with felony or drug convictions, and arrest records
- Require a Social Security Number as the only way to conduct screening [Note: Alternative proof to establish eligibility must be accepted.]

Rental Agreement Regulations:

On rental agreements, landlords are:

- Required to state the legal number of occupants and habitable spaces in the unit.
- Required to provide a name and physical address, in addition to any rental portals or online tools to pay rent, request repairs, and file complaints. [Note: If a landlord does not reside in the state of Washington, there must also be an authorized agent who resides within Pierce County, as outlined in RCW 59.18.060(15).]
- Prohibited from assessing penalties or forfeiture of deposit if a tenant terminates the tenancy before expiration of a minimum term month-to-month rental agreement.
- Prohibited from regulating or restricting dogs based on breeds, unless they have an insurance company-required breed restrictions, provided that any breed of service animal shall be allowed.

Standards for Fees and Deposits:

Late fees cannot exceed 1.5 percent of monthly rent, with a maximum limit of \$75 per month, and landlords must actively take steps to recover late fees during tenancy by serving quarterly notices or invoices and tenants will have more time to pay move-in fees, depending on length and type of rental agreement. Landlords will be prohibited from:

- Withholding late fees from deposits, or reporting information regarding late fees to prospective landlords at the end of tenancy, if late fees were not addressed during tenancy.
- Assessing late fees on charges that are not rent, such as installment payments, deposits, or amenities like parking.
- Requiring a pet damage deposit exceeding 25 percent of one month's rent
- Withholding full refund of a tenant's pet damage deposit if unused.

A tenant's non-refundable fees, security deposit and last month's rent are generally described as move-in fees. Breakdown of move-in fees:

- Six Months or Longer: Tenants will be allowed six, instead of three, months to pay move-in fees and deposits in monthly installments.
- Three to Five Months Long: Tenants will be allowed to pay move-in fees and deposits in monthly installments over the course of three months.
- Month-to-Month: Tenants will be allowed to pay move-in fees and deposits

in monthly installments over the course of two months, and last month's rent over the course of six months.

Shared Housing Standards:

For shared housing arrangements (where a tenant rents a private room or shared room, but shares common areas such as a kitchen, gathering spaces, and/or bathroom with other tenants), the following requirements will apply:

- The master lease holder must share contact information for any subleasing tenants with the landlord, and the landlord's contact information with any subleasing tenants.
- When renting to four or more tenants, separate rental agreements for each habitable space (i.e. spaces used for living, sleeping, eating or cooking) are required
- The landlord is required to serve any notices that can lead to eviction to the master lease holder and provide the master lease holder with additional copies of notices to serve each subleasing tenant.
 - If subleasing tenants are not provided a written notice of eviction, the landlord must allow the subleasing tenants an additional 30 days to vacate after the eviction order is issued, or as ordered by the court.

Business License, Health, and Safety Requirements:

A landlord will not be able to pursue eviction or increase rent without a current City of Tacoma business license or if a dwelling unit does not comply with RCW 59.18.060 and presents conditions that endanger or impair tenant health and safety.

Note: A landlord shall not serve a notice to vacate or rent increase unless they have complied with a business license and health and safety requirements.