

KING COUNTY ORDINANCE 2020-0191

KEY TAKEAWAYS

The King County Council passed an ordinance to give eviction defenses to qualifying residential tenants who have been affected by COVID-19. The ordinance is currently effective through March 1, 2021. The ordinance provides residential tenants with a defense to eviction if they are unable to pay rent because of COVID-19. The ordinance also allows qualifying residential and small-business tenants to pay past-due rent under an installment plan, and provides them with a defense to eviction if the landlord does not offer such a plan.

This update provides background about the ordinance, describes the new eviction defense and repayment rights, and discusses who qualifies under the ordinance.

BACKGROUND

On February 29, 2020, Governor Inslee proclaimed a state of emergency in the State of Washington in response to the emerging COVID-19 pandemic. On March 18, 2020, Governor Inslee issued Proclamation 20-19, an eviction moratorium that prohibited residential evictions until April 17, 2020. Governor Inslee has since extended a modified version of the eviction moratorium until August 1, 2020. You can read more about that <u>here</u>. On June 23, 2020, the King County Council passed Ordinance 2020-0191 to provide additional defenses to eviction through March 1, 2021, for qualifying residential tenants in King County ("Ordinance"). The Ordinance also gives residential and small-business tenants a right to repay past-due rent in installments. The Ordinance is consistent with Seattle City Council Bill 119784. Specifically, the Ordinance provides:

- The ability for both qualifying residential and small-business tenants who are unable to pay rent in full through March 1, 2021 to pay overdue rent in installments; and
- A defense to eviction for residential tenants facing eviction during this same period due to inability to pay rent caused by COVID-19.

Residential and Small-Business Tenant Installment Payments for Past Due Rent

Qualifying residential tenants and small-business tenants who fail to pay rent through March 1, 2021 may elect to repay the rent in installments according to a repayment plan agreed upon between the tenant and landlord. In the sections below, we describe the requirements that residential tenants and small-business tenants must meet to qualify under the Ordinance. The Ordinance contains more detail about tenants' and landlords' rights relating to repayment plans, including the following:

 Qualifying residential and small-business tenants who fail to make payments according to the repayment plan, or refuse a reasonable repayment plan offered by the landlord, may still face eviction.

KING COUNTY ORDINANCE 2020-0191

- Qualifying residential and small-business tenants will receive an additional defense against eviction if the landlord fails to offer a reasonable repayment plan.
- Late fees, interest, and other charges may not accrue on rent due through March 1, 2021, or on repayment-plan payments for qualifying residential and small-business tenants.
- Residential rental agreements may not be terminated while a qualifying tenant is on a repayment plan, unless the tenant refuses or fails to comply with the repayment plan.
- Landlords may, however, terminate residential rental agreements where the qualifying tenant poses an imminent threat to the health and safety of others.

Qualifying Small-Business Tenants

For a small-business tenant to qualify for the repayment-related protections outlined above, the business must meet the following criteria:

- 1. It can be any business entity that is owned and operated independently from all other businesses, and any franchisee with five or fewer franchise units;
- 2. It must have fifty or fewer employees per establishment or premises;
- 3. It has either been forced to close due to the Governor's emergency order, or has gross receipts from the previous calendar month in 2020 that are less than 70% of its gross receipts for the same month in 2019; and
- 4. It is neither a general sales or service business with ten or more establishments in operation anywhere in the world.

NOTE: The "sales or service" business categories are terms of art used in land use code. If tenants have questions about whether a business would qualify, they should contact one of HCMP's Real Estate & Land Use attorneys.

New Defense to Evictions for Qualifying Residential Tenants

Under the Ordinance, qualifying tenants who face eviction through March 1, 2021, have an additional defense against an eviction lawsuit. Residential tenants may qualify for this new defense to eviction if they meet all the following criteria:

- 1. The tenant faces eviction on or before March 1, 2021;
- 2. The reason for the eviction is one of the following:
 - The tenant fails to comply with a notice to pay rent or vacate; or
 - The tenant regularly fails to pay rent resulting in three or more pay-or-vacate notices in a 12-month period; and
- 3. The tenant proves that the failure to pay rent was due to one of the following circumstances caused by COVID-19:
 - Illness;
 - Loss or reduction of income;

hcmp.com

KING COUNTY ORDINANCE 2020-0191

- Loss of employment;
- Reduction in compensated hours of work;
- Business or office closure;
- A need to miss work to care for a family member or child, where that care is uncompensated; or
- Other similar loss of income due to the COVID-19 pandemic.

Please do not hesitate to contact us with any questions or concerns you may have.

Best regards,



ZAC DELAP | Attorney

zac.delap@hcmp.com 206.470.7628 <u>Click here to learn more about Zac.</u>



KURT KRUCKEBERG | Attorney kurt.kruckeberg@hcmp.com 206.470.7640 Click here to learn more about Kurt.



MICHELLE GAIL | Attorney michelle.gail@hcmp.com

206.470.7660 <u>Click here to learn more about Michelle.</u>



BRIAN FREE | Attorney brian.free@hcmp.com 206.470.7646 Click here to learn more about Brian.

Or contact any of our other Real Estate & Land Use attorneys here.

DISCLAIMER

The information contained in this update is provided for informational purposes only. It is not business, legal, accounting, tax, financial, investment or other advice on any matter and may not be relied upon as such. Please contact your attorney to obtain advice regarding any particular legal matter.