

# Washington Governor Extends Eviction Moratorium to June 4th and Prohibits Rent Increases for Commercial Leases

Legal Alert April 23, 2020

On April 15, 2020, Washington Governor Jay Inslee extended the prohibition on residential evictions to June 4, 2020, and expanded the scope of Proclamation 20-19 to include a prohibition on rent or deposit increases for commercial leases.

#### **Temporary Prohibitions Related to Residential Tenants**

To prevent greater housing insecurity in our region, Governor Inslee issued Proclamations 20-19 and 20-19.1 to temporarily prohibit landlords, property owners and property managers from carrying out residential evictions and judicial eviction orders. Additionally, landlords, property owners and property managers are prohibited from:

- Assessing late fees or other financial penalties for nonpayments of rent and late rent payments occurring after February 29, 2020;
- Increasing (or threatening to increase) rent or the amount of any deposit;
- Charging rent (or other fees) to a tenant while they were denied access to the dwelling due to COVID-19; and
- Enforcing a debt obligation where non-payment of the obligation occurred after February 29, 2020 and was a result of COVID-19. "Enforcing a debt obligation" includes attempts to collect, threats to collect, filing an unlawful detainer or other judicial action, withholding any portion of a security deposit, billing or invoicing, reporting to credit bureaus or any other means to enforce a debt obligation owed by a residential tenant.

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#### **Related Services**

Business & Corporate Finance

Real Estate, Land Use & Environmental



The only exception for the prohibition on enforcing debt obligations applies when a landlord, property owner or property manager can prove to a court by a preponderance of the evidence that the residential tenant was offered and denied or failed to comply with a reasonable repayment plan that took into consideration the resident's financial, health and other circumstances.

## Temporary Prohibitions on Rent or Deposit Increases for Some Commercial Tenants

Unlike our neighboring state, Oregon, commercial tenants in Washington are <u>not</u> protected by Governor Inslee's temporary ban on residential evictions. Instead, the only additional protection that commercial tenants have, as of now, is that landlords, property owners and property managers are prohibited from increasing or threatening to increase rent or other deposits for businesses that have been "materially impacted" by COVID-19. "Materially impacted" in this context means businesses that: 1) have been personally impacted and not able to work, 2) were not deemed "essential" under Proclamation 20-25, or 3) otherwise lost staff or customers due to COVID-19.

If you are a commercial tenant and are having trouble making rent payments, an alternative source of financial relief could be a Paycheck Protection Program loan or Economic Injury Disaster Loan under the CARES Act. Note: the first round of funds for these programs are already accounted for, but Congress may appropriate additional federal dollars toward these programs soon.

If you are a commercial tenant or landlord with questions about the moratorium or other real estate issues in Washington, please contact a member of Foster Garvey's Real Estate group. Please also see our previous e-alert about similar prohibitions on evictions for residential and commercial tenants in Oregon, and let us know if you have any questions.

For additional resources on how to navigate the business disruptions caused by COVID-19, please visit our COVID-19 Resource Center and reach out to the Foster Garvey team with any questions.