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Washington Simplifies Commercial Leasing—Drops Notary Requirement

Washington recently passed legislation that simplifies the lease execution process for landlords and tenants of commercial property. [Senate Bill 5480](#) (“SB 5480”), which Governor Jay Inslee signed into law on March 13, 2024, amends [RCW 59.04.010](#) and [64.04.010](#) to remove the requirement that commercial leases for a term of more than one year be acknowledged (i.e. notarized) by the landlord. The change in law is a win for the commercial real estate industry and will go into effect on June 6, 2024.

Previously, all commercial leases for a term of more than one year had to be acknowledged by the landlord to be valid and enforceable in Washington. And because such commercial leases must be acknowledged by the landlord, it has been customary for parties to require an acknowledgement by the tenant as well. SB 5480 brings Washington into alignment with the many other states that do not require commercial leases to be acknowledged, such as Oregon and California, and further into alignment with the current era of electronic signatures.

SB 5480 makes it easier to use remote and electronic signatures, which will streamline the lease execution process, particularly for out-of-state signatories. The change in law also benefits unsophisticated tenants, in particular those who may not have understood, or who may have been confused by, Washington’s notary requirements.

It is also important to note that SB 5480 does not completely do away with acknowledgements. Landlord and tenant signatures to a commercial lease and memorandum of lease that will be recorded still must be acknowledged under RCW 64.04.010. And it is in this regard that the State arguably injected ambiguity into the statutory code because RCW 64.04.010 (as amended by SB 5480) will now read that “to be recorded, a lease and a memorandum of lease must have the lessee’s and lessor’s signatures acknowledged,” which can be interpreted to mean that both



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the lease and memorandum must be acknowledged even though only the memorandum will be recorded. This interpretation, if valid, may create new problems for parties who desire to record a memorandum of lease at a later date if the underlying lease was not acknowledged at the time of execution.

If you have questions or need assistance with a commercial lease agreement, please contact Andrew Zellers or any member of our [Real Estate](#) practice group.

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