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## Judiciary Committee

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### HB 1526

**Title:** An act relating to tenant screening under the residential landlord-tenant act.

**Brief Description:** Addressing tenant screening under the residential landlord-tenant act.

**Sponsors:** Representatives Orwall, Upthegrove, Kagi, Fitzgibbon, Kenney and Darneille.

#### Brief Summary of Bill

- Requires landlords who charge a fee for tenant screening services to provide prospective tenants with specified information regarding the screening process.
- Prohibits tenant screening services from including in a tenant screening report information relating to no-contact or protection orders sought by a prospective tenant.

**Hearing Date:** 2/16/11

**Staff:** Edie Adams (786-7180).

#### Background:

The Residential Landlord-Tenant Act (RLTA) regulates the creation of residential tenancies and the relationship between landlords and tenants of residential dwelling units.

Landlords may engage in tenant screening to evaluate potential tenants, either by conducting their own searches of public records or by using companies that provide consumer reports for use in tenant screening. The RLTA provides that if a landlord uses a tenant screening service to obtain the report, only the landlord's cost can be charged to the tenant. If the landlord conducts his or her own screening, the landlord's actual costs may be charged.

A landlord may not charge a tenant for obtaining background information unless the landlord first notifies the tenant of what the tenant screening will entail, the tenant's right to dispute the information received by the landlord, and the name and address of the tenant screening service used by the landlord. A landlord is not required to disclose information to the tenant that was

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obtained from the screening process if that disclosure is not required by the federal Fair Credit Reporting Act.

The use of credit reports and consumer reports is regulated under both federal and state law. These laws require that consumer reporting agencies establish procedures to ensure that the information in consumer reports is accurate and is provided only for appropriate purposes. Certain outdated information is prohibited from appearing in a consumer credit report, including information relating to suits or judgments, or criminal records, that are more than seven years old.

A person who takes an adverse action against a consumer based on a consumer report must provide notice to the consumer of the adverse action and the name of the consumer reporting agency that provided the report. A credit reporting agency must furnish a copy of the report to the consumer without charge if the consumer requests the report within 60 days of receipt of an adverse action based on the consumer report.

**Summary of Bill:**

A landlord must provide a prospective tenant with the screening criteria that the landlord may use to determine tenancy before charging the prospective tenant a fee for the screening process. Screening criteria may include: employment history; rental history; criminal history; credit history; income standards or affordability tests; whether information obtained was inadequate or could not be verified; and any other factor explained in writing to the prospective tenant.

A landlord must provide a prospective tenant who is denied housing with a notice of the reasons for the denial. The notice must specify one or more of the screening criteria provided to the tenant as the basis for the denial. The notice must also include the source of the information used as the basis for the denial and contact information for that source, unless the source was provided by the prospective tenant. Sources of information include tenant screening services, public records searches, persons or businesses provided by the tenant, and other sources specified in the notice.

A tenant screening service is prohibited from including in a screening report provided to a landlord a qualified victim protection record pertaining to the tenant. "Qualified victim protection record" means information concerning a judicial or administrative proceeding in which the person about whom the record pertains sought to obtain a no-contact order or protection order from domestic violence, sexual assault, stalking, harassment, or other violent crime.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.