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HOUSE BILL 2537

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State of Washington

63rd Legislature

2014 Regular Session

By Representatives Robinson, Appleton, Jinkins, Stanford, Riccelli, Pollet, and Santos

Read first time 01/20/14. Referred to Committee on Judiciary.

1 AN ACT Relating to tenant screening; amending RCW 59.18.257;  
2 reenacting and amending RCW 59.18.030; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that residential  
5 landlords frequently use tenant screening reports in evaluating and  
6 selecting tenants for their rental properties. The costs of tenant  
7 screening are passed on to applicants in the form of screening fees  
8 that applicants pay with each application for housing, although  
9 successive reports contain largely the same information. Applicants  
10 may make multiple applications for housing to secure a place to live,  
11 significantly increasing their financial burden. The high and repeated  
12 cost of tenant screening reports are a barrier to housing for all  
13 applicants, especially applicants with low or fixed incomes. The  
14 legislature recognizes the importance of landlords receiving current  
15 and thorough information on prospective tenants, including the  
16 necessary information to determine if that applicant would make a  
17 suitable renter. When an applicant can provide a prospective landlord  
18 a comprehensive tenant screening report produced within the last thirty  
19 days, this significantly reduces an applicant's cost while also

1 providing landlords with the information they need. Therefore, the  
2 legislature finds and declares comprehensive tenant screening reports  
3 are a necessary and fair solution for both applicants and landlords.

4 **Sec. 2.** RCW 59.18.030 and 2012 c 41 s 2 are each reenacted and  
5 amended to read as follows:

6 As used in this chapter:

7 (1) "Certificate of inspection" means an unsworn statement,  
8 declaration, verification, or certificate made in accordance with the  
9 requirements of RCW 9A.72.085 by a qualified inspector that states that  
10 the landlord has not failed to fulfill any substantial obligation  
11 imposed under RCW 59.18.060 that endangers or impairs the health or  
12 safety of a tenant, including (a) structural members that are of  
13 insufficient size or strength to carry imposed loads with safety, (b)  
14 exposure of the occupants to the weather, (c) plumbing and sanitation  
15 defects that directly expose the occupants to the risk of illness or  
16 injury, (d) not providing facilities adequate to supply heat and water  
17 and hot water as reasonably required by the tenant, (e) providing  
18 heating or ventilation systems that are not functional or are  
19 hazardous, (f) defective, hazardous, or missing electrical wiring or  
20 electrical service, (g) defective or hazardous exits that increase the  
21 risk of injury to occupants, and (h) conditions that increase the risk  
22 of fire.

23 (2) "Distressed home" has the same meaning as in RCW 61.34.020.

24 (3) "Distressed home conveyance" has the same meaning as in RCW  
25 61.34.020.

26 (4) "Distressed home purchaser" has the same meaning as in RCW  
27 61.34.020.

28 (5) "Dwelling unit" is a structure or that part of a structure  
29 which is used as a home, residence, or sleeping place by one person or  
30 by two or more persons maintaining a common household, including but  
31 not limited to single-family residences and units of multiplexes,  
32 apartment buildings, and mobile homes.

33 (6) "Gang" means a group that: (a) Consists of three or more  
34 persons; (b) has identifiable leadership or an identifiable name, sign,  
35 or symbol; and (c) on an ongoing basis, regularly conspires and acts in  
36 concert mainly for criminal purposes.

1 (7) "Gang-related activity" means any activity that occurs within  
2 the gang or advances a gang purpose.

3 (8) "In danger of foreclosure" means any of the following:

4 (a) The homeowner has defaulted on the mortgage and, under the  
5 terms of the mortgage, the mortgagee has the right to accelerate full  
6 payment of the mortgage and repossess, sell, or cause to be sold the  
7 property;

8 (b) The homeowner is at least thirty days delinquent on any loan  
9 that is secured by the property; or

10 (c) The homeowner has a good faith belief that he or she is likely  
11 to default on the mortgage within the upcoming four months due to a  
12 lack of funds, and the homeowner has reported this belief to:

13 (i) The mortgagee;

14 (ii) A person licensed or required to be licensed under chapter  
15 19.134 RCW;

16 (iii) A person licensed or required to be licensed under chapter  
17 19.146 RCW;

18 (iv) A person licensed or required to be licensed under chapter  
19 18.85 RCW;

20 (v) An attorney-at-law;

21 (vi) A mortgage counselor or other credit counselor licensed or  
22 certified by any federal, state, or local agency; or

23 (vii) Any other party to a distressed property conveyance.

24 (9) "Landlord" means the owner, lessor, or sublessor of the  
25 dwelling unit or the property of which it is a part, and in addition  
26 means any person designated as representative of the owner, lessor, or  
27 sublessor including, but not limited to, an agent, a resident manager,  
28 or a designated property manager.

29 (10) "Mortgage" is used in the general sense and includes all  
30 instruments, including deeds of trust, that are used to secure an  
31 obligation by an interest in real property.

32 (11) "Owner" means one or more persons, jointly or severally, in  
33 whom is vested:

34 (a) All or any part of the legal title to property; or

35 (b) All or part of the beneficial ownership, and a right to present  
36 use and enjoyment of the property.

37 (12) "Person" means an individual, group of individuals,

1 corporation, government, or governmental agency, business trust,  
2 estate, trust, partnership, or association, two or more persons having  
3 a joint or common interest, or any other legal or commercial entity.

4 (13) "Premises" means a dwelling unit, appurtenances thereto,  
5 grounds, and facilities held out for the use of tenants generally and  
6 any other area or facility which is held out for use by the tenant.

7 (14) "Property" or "rental property" means all dwelling units on a  
8 contiguous quantity of land managed by the same landlord as a single,  
9 rental complex.

10 (15) "Prospective landlord" means a landlord or a person who  
11 advertises, solicits, offers, or otherwise holds a dwelling unit out as  
12 available for rent.

13 (16) "Prospective tenant" means a tenant or a person who has  
14 applied for residential housing that is governed under this chapter.

15 (17) "Qualified inspector" means a United States department of  
16 housing and urban development certified inspector; a Washington state  
17 licensed home inspector; an American society of home inspectors  
18 certified inspector; a private inspector certified by the national  
19 association of housing and redevelopment officials, the American  
20 association of code enforcement, or other comparable professional  
21 association as approved by the local municipality; a municipal code  
22 enforcement officer; a Washington licensed structural engineer; or a  
23 Washington licensed architect.

24 (18) "Reasonable attorneys' fees," where authorized in this  
25 chapter, means an amount to be determined including the following  
26 factors: The time and labor required, the novelty and difficulty of  
27 the questions involved, the skill requisite to perform the legal  
28 service properly, the fee customarily charged in the locality for  
29 similar legal services, the amount involved and the results obtained,  
30 and the experience, reputation and ability of the lawyer or lawyers  
31 performing the services.

32 (19) "Rental agreement" means all agreements which establish or  
33 modify the terms, conditions, rules, regulations, or any other  
34 provisions concerning the use and occupancy of a dwelling unit.

35 (20) A "single-family residence" is a structure maintained and used  
36 as a single dwelling unit. Notwithstanding that a dwelling unit shares  
37 one or more walls with another dwelling unit, it shall be deemed a

1 single-family residence if it has direct access to a street and shares  
2 neither heating facilities nor hot water equipment, nor any other  
3 essential facility or service, with any other dwelling unit.

4 (21) A "tenant" is any person who is entitled to occupy a dwelling  
5 unit primarily for living or dwelling purposes under a rental  
6 agreement.

7 (22) "Tenant screening" means using a consumer report or other  
8 information about a prospective tenant in deciding whether to make or  
9 accept an offer for residential rental property to or from a  
10 prospective tenant.

11 (23) "Tenant screening report" means a consumer report as defined  
12 in RCW 19.182.010 and any other information collected by a tenant  
13 screening service.

14 (24) "Comprehensive screening report" means a tenant screening  
15 report that contains all of the following: (a) A consumer report  
16 concerning the prospective tenant prepared by a consumer reporting  
17 agency that compiles and maintains files on consumers on a nationwide  
18 basis, as defined in 15 U.S.C. Sec. 1681A(p), no more than ninety days  
19 preceding the date of the tenant screening; (b) a report containing the  
20 prospective tenant's criminal history; and (c) a report containing the  
21 prospective tenant's eviction history.

22 (25) "Criminal history" means a report containing or summarizing  
23 the contents of any records of the prospective tenant's arrest,  
24 indictment, criminal conviction, or other adjudication of a crime,  
25 including registration or duty to register as a sex offender with any  
26 state, if any, obtained after a search for such records in every state  
27 where the prospective tenant has reported living in the seven years  
28 preceding the report date.

29 (26) "Eviction history" means a report containing or summarizing  
30 the contents of any records of eviction suits, or judicial foreclosure  
31 actions concerning the prospective tenant, obtained after a search for  
32 such records in every state where the prospective tenant has reported  
33 living in the seven years preceding the report date.

34 **Sec. 3.** RCW 59.18.257 and 2012 c 41 s 3 are each amended to read  
35 as follows:

36 (1)(a) Prior to obtaining any information about a prospective

1 tenant, the prospective landlord shall first notify the prospective  
2 tenant in writing, or by posting, of the following:

3 (i) What types of information will be accessed to conduct the  
4 tenant screening;

5 (ii) What criteria may result in denial of the application; and

6 (iii) If a consumer report is used, the name and address of the  
7 consumer reporting agency and the prospective tenant's rights to obtain  
8 a free copy of the consumer report in the event of a denial or other  
9 adverse action, and to dispute the accuracy of information appearing in  
10 the consumer report.

11 (b)(i) The landlord may charge a prospective tenant for costs  
12 incurred in obtaining a tenant screening report only if the prospective  
13 landlord provides the information as required in (a) of this  
14 subsection, unless a comprehensive tenant screening report regarding  
15 the prospective tenant, prepared within thirty days of the application  
16 date, is available to the prospective landlord. If a prospective  
17 tenant provides a comprehensive tenant screening report, a prospective  
18 landlord may still obtain another tenant screening report but may not  
19 charge the prospective tenant for the subsequent report.

20 (ii) If a prospective landlord conducts his or her own screening of  
21 tenants, the prospective landlord may charge his or her actual costs in  
22 obtaining the background information only if the prospective landlord  
23 provides the information as required in (a) of this subsection. The  
24 amount charged may not exceed the customary costs charged by a  
25 screening service in the general area. The prospective landlord's  
26 actual costs include costs incurred for long distance phone calls and  
27 for time spent calling landlords, employers, and financial  
28 institutions.

29 (c) If a prospective landlord takes an adverse action, the  
30 prospective landlord shall provide a written notice of the adverse  
31 action to the prospective tenant that states the reasons for the  
32 adverse action. The adverse action notice must contain the following  
33 information in a substantially similar format, including additional  
34 information as may be required under chapter 19.182 RCW:

35 "ADVERSE ACTION NOTICE

36 Name

37 Address

1 City/State/Zip Code

2 This notice is to inform you that your application has been:

3 ..... Rejected

4 ..... Approved with conditions:

5 ..... Residency requires an increased deposit

6 ..... Residency requires a qualified guarantor

7 ..... Residency requires last month's rent

8 ..... Residency requires an increased monthly rent of \$.....

9 ..... Other:

10 Adverse action on your application was based on the following:

11 ..... Information contained in a consumer report (The prospective  
12 landlord must include the name, address, and phone number of the  
13 consumer reporting agency that furnished the consumer report that  
14 contributed to the adverse action.)

15 ..... The consumer credit report did not contain sufficient information

16 ..... Information received from previous rental history or reference

17 ..... Information received in a criminal record

18 ..... Information received in a civil record

19 ..... Information received from an employment verification

20 Dated this ..... day of ....., 20....

21 Agent/Owner Signature"

22 (2) Any landlord or prospective landlord who violates this section  
23 may be liable to the prospective tenant for an amount not to exceed one  
24 hundred dollars. The prevailing party may also recover court costs and  
25 reasonable attorneys' fees.

26 ~~(3) ((A stakeholder work group comprised of landlords, tenant  
27 advocates, and representatives of consumer reporting and tenant  
28 screening companies shall convene for the purposes of addressing the  
29 issues of tenant screening including, but not limited to: A tenant's  
30 cost of obtaining a tenant screening report; the portability of tenant  
31 screening reports; criteria used to evaluate a prospective tenant's  
32 background, including which court records may or may not be considered;  
33 and the regulation of tenant screening services. Specific  
34 recommendations on these issues are due to the legislature by December  
35 1, 2012.~~

36 (4)) This section does not limit a prospective tenant's rights or

1 the duties of a screening service as otherwise provided in chapter  
2 19.182 RCW.

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