

---

## Judiciary Committee

---

### HB 2537

**Title:** An act relating to tenant screening.

**Brief Description:** Concerning tenant screening.

**Sponsors:** Representatives Robinson, Appleton, Jinkins, Stanford, Riccelli, Pollet and Santos.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Provides that a landlord may not charge a prospective tenant for the cost of obtaining a tenant screening report if a comprehensive screening report prepared within 30 days of the application date is available to the landlord.</li></ul>
--



**Hearing Date:** 1/31/14

**Staff:** Cece Clynch (786-7195).

**Background:**

The Residential Landlord-Tenant Act (RLTA) regulates the relationship between tenants and landlords. The RLTA sets forth requirements, duties, rights, and remedies with respect to the landlord-tenant relationship.

"Tenant screening" under the RLTA means using a consumer report or other information about a prospective tenant in determining whether to rent to the tenant. A "tenant screening report" means a consumer report as defined under the Fair Credit Reporting Act and any other information collected by a tenant screening service.

Landlords may engage in tenant screening to evaluate potential tenants, either by conducting their own searches of public records or by using a tenant screening service to obtain a report on a tenant. Prior to screening, a prospective landlord must notify a prospective tenant about the:

- kind of information that will be accessed;
- criteria that may result in denial of the application; and

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

- name and address of the consumer reporting agency, if any is used, along with notice to the prospective tenant of his or her right, in the event of an adverse action, to a free copy of the consumer report and the opportunity to dispute the report's information.

A landlord may charge a prospective tenant for the cost of obtaining a tenant screening report. If the landlord conducts his or her own screening, the prospective landlord may charge for actual costs in obtaining the background information as long as the amount charged does not exceed the customary costs charged by a screening service in the area. In either case, the landlord may only assess such a charge if the landlord provides the prospective tenant with the requisite prior notice outlined above.

Adverse action must be reported to a prospective tenant in a written form that substantially complies with the statutory form. This writing must disclose the basis for the adverse action, including whether it was based on information received from:

- consumer credit reports;
- criminal records;
- previous rental history or references; and/or
- civil records.

The above requirements were enacted into law in 2012 with passage of Substitute Senate Bill 6315. Another section of that bill called for the convening of a stakeholder work group comprised of landlords, tenant advocates, and representatives of consumer reporting and tenant screening companies for purposes of addressing issues related to tenant screening including, but not limited to: tenants' costs of obtaining reports; the portability of reports; criteria for evaluating prospective tenants; and the regulation of tenant screening services. Recommendations from this work group were due to the Legislature by December 1, 2012.

### **Summary of Bill:**

A landlord remains authorized to charge a prospective tenant for the cost of obtaining a tenant screening report (assuming that the requisite prior notice is provided) *unless* a comprehensive screening report prepared within 30 days of the application date is available to the landlord. If the prospective tenant provides a comprehensive screening report, the landlord may still obtain another tenant screening report but may not charge the prospective tenant for the subsequent report.

"Comprehensive screening report," and terms included in that definition, are defined as follows:

- "Comprehensive screening report" means a tenant screening report that contains all of the following:
  - a consumer report prepared by a consumer reporting agency that compiles and maintains files on consumers on a nationwide basis, as defined in the federal Fair Credit Reporting Act, no more than 90 days preceding the date of the tenant screening;
  - a report containing the prospective tenant's criminal history; and
  - a report containing the prospective tenant's eviction history.
- "Criminal history" means a report containing or summarizing the contents of any records of arrest, indictment, criminal conviction, or other adjudication of a crime, including registration or duty to register as a sex offender, if any, obtained after a search for such

records in every state where the prospective tenant has reported living in the 7 years preceding the report date.

- "Eviction history" means a report containing or summarizing the contents of any records of eviction suits, or judicial foreclosure actions, obtained after a search for such records in every state where the prospective tenant has reported living in the 7 years preceding the report date.

The language creating the stakeholder work group, and requiring recommendations, is stricken.

**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.