

SENATE BILL REPORT

SHB 2537

As of February 26, 2014

Title: An act relating to tenant screening.

Brief Description: Concerning tenant screening.

Sponsors: House Committee on Judiciary (originally sponsored by Representatives Robinson, Appleton, Jinkins, Stanford, Riccelli, Pollet and Santos).

Brief History: Passed House: 2/13/14, 53-45.

Committee Activity: Financial Institutions, Housing & Insurance: 2/27/14.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

Staff: Alison Mendiola (786-7483)

Background: The Residential Landlord-Tenant Act (RLTA) regulates the rights and duties of landlords and tenants in residential rental housing.

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

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 Certain outdated information is prohibited from appearing in a consumer credit report, including information relating to suits or judgments, or criminal records, that are more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.

Prior to screening a prospective tenant, and in order to charge the prospective tenant for that screening, the prospective landlord must first notify the prospective tenant in writing, or by posting the following information:

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- what types of information will be accessed to conduct the tenant screening;
- what criteria may result in the denial of the application;
- the name and address of the consumer reporting agency, if used; and
- the prospective tenant's right to obtain a free copy of the consumer report in the event of an adverse action, and to dispute the accuracy of information in the consumer report.

If an adverse action is taken, the prospective landlord must provide this information to the prospective tenant in writing, in a form substantially similar to the one prescribed by statute. If the adverse action is based on information received from a consumer report, the contact information of the consumer reporting agency must be provided.

Summary of Bill: If a prospective tenant has a comprehensive screening report produced within 30 days of the rental housing application date and that report is made available to the prospective landlord by a consumer reporting agency, the landlord may not charge the prospective tenant a tenant screening fee. In this instance, a prospective landlord is not prevented from getting an independent tenant screening report, but the prospective landlord may not charge the prospective tenant for the cost of the tenant screening report.

A comprehensive screening report means a tenant screening report that includes all of the following: (1) a consumer report produced within the preceding 90 days of the tenant screening; (2) a criminal history report; and (3) an eviction history report.

Criminal history and eviction history are defined.

Language regarding a stakeholder workgroup is stricken.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.