

CERTIFICATION OF ENROLLMENT

ENGROSSED SENATE BILL 6413

Chapter 66, Laws of 2016

64th Legislature
2016 Regular Session

LANDLORD-TENANT--SCREENING REPORTS AND DEPOSIT REFUNDS

EFFECTIVE DATE: 6/9/2016

Passed by the Senate March 9, 2016
Yeas 49 Nays 0

BRAD OWEN

President of the Senate

Passed by the House March 2, 2016
Yeas 97 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Approved March 29, 2016 4:21 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SENATE BILL 6413** as passed by Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

Secretary

FILED

March 30, 2016

**Secretary of State
State of Washington**

ENGROSSED SENATE BILL 6413

AS AMENDED BY THE HOUSE

Passed Legislature - 2016 Regular Session

State of Washington 64th Legislature 2016 Regular Session

By Senators Mullet, Benton, Pedersen, and Frockt

Read first time 01/20/16. Referred to Committee on Financial
Institutions & Insurance.

1 AN ACT Relating to tenant screening, evictions, and refunds under
2 the residential landlord-tenant act; amending RCW 59.18.257 and
3 59.18.280; reenacting and amending RCW 59.18.030; and adding a new
4 section to chapter 59.18 RCW.

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

6 **Sec. 1.** RCW 59.18.030 and 2015 c 264 s 1 are each reenacted and
7 amended to read as follows:

8 As used in this chapter:

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

1 wiring or electrical service, (g) defective or hazardous exits that
2 increase the risk of injury to occupants, and (h) conditions that
3 increase the risk of fire.

4 (2) "Commercially reasonable manner," with respect to a sale of a
5 deceased tenant's personal property, means a sale where every aspect
6 of the sale, including the method, manner, time, place, and other
7 terms, must be commercially reasonable. If commercially reasonable, a
8 landlord may sell the tenant's property by public or private
9 proceedings, by one or more contracts, as a unit or in parcels, and
10 at any time and place and on any terms.

11 (3) "Designated person" means a person designated by the tenant
12 under RCW 59.18.590.

13 (4) "Distressed home" has the same meaning as in RCW 61.34.020.

14 (5) "Distressed home conveyance" has the same meaning as in RCW
15 61.34.020.

16 (6) "Distressed home purchaser" has the same meaning as in RCW
17 61.34.020.

18 (7) "Dwelling unit" is a structure or that part of a structure
19 which is used as a home, residence, or sleeping place by one person
20 or by two or more persons maintaining a common household, including
21 but not limited to single-family residences and units of multiplexes,
22 apartment buildings, and mobile homes.

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

27 (9) "Gang-related activity" means any activity that occurs within
28 the gang or advances a gang purpose.

29 (10) "In danger of foreclosure" means any of the following:

30 (a) The homeowner has defaulted on the mortgage and, under the
31 terms of the mortgage, the mortgagee has the right to accelerate full
32 payment of the mortgage and repossess, sell, or cause to be sold the
33 property;

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

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

39 (i) The mortgagee;

1 (ii) A person licensed or required to be licensed under chapter
2 19.134 RCW;

3 (iii) A person licensed or required to be licensed under chapter
4 19.146 RCW;

5 (iv) A person licensed or required to be licensed under chapter
6 18.85 RCW;

7 (v) An attorney-at-law;

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

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

11 (11) "Landlord" means the owner, lessor, or sublessor of the
12 dwelling unit or the property of which it is a part, and in addition
13 means any person designated as representative of the owner, lessor,
14 or sublessor including, but not limited to, an agent, a resident
15 manager, or a designated property manager.

16 (12) "Mortgage" is used in the general sense and includes all
17 instruments, including deeds of trust, that are used to secure an
18 obligation by an interest in real property.

19 (13) "Owner" means one or more persons, jointly or severally, in
20 whom is vested:

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

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

24 (14) "Person" means an individual, group of individuals,
25 corporation, government, or governmental agency, business trust,
26 estate, trust, partnership, or association, two or more persons
27 having a joint or common interest, or any other legal or commercial
28 entity.

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

32 (16) "Property" or "rental property" means all dwelling units on
33 a contiguous quantity of land managed by the same landlord as a
34 single, rental complex.

35 (17) "Prospective landlord" means a landlord or a person who
36 advertises, solicits, offers, or otherwise holds a dwelling unit out
37 as available for rent.

38 (18) "Prospective tenant" means a tenant or a person who has
39 applied for residential housing that is governed under this chapter.

1 (19) "Qualified inspector" means a United States department of
2 housing and urban development certified inspector; a Washington state
3 licensed home inspector; an American society of home inspectors
4 certified inspector; a private inspector certified by the national
5 association of housing and redevelopment officials, the American
6 association of code enforcement, or other comparable professional
7 association as approved by the local municipality; a municipal code
8 enforcement officer; a Washington licensed structural engineer; or a
9 Washington licensed architect.

10 (20) "Reasonable attorneys' fees," where authorized in this
11 chapter, means an amount to be determined including the following
12 factors: The time and labor required, the novelty and difficulty of
13 the questions involved, the skill requisite to perform the legal
14 service properly, the fee customarily charged in the locality for
15 similar legal services, the amount involved and the results obtained,
16 and the experience, reputation and ability of the lawyer or lawyers
17 performing the services.

18 (21) "Reasonable manner," with respect to disposing of a deceased
19 tenant's personal property, means to dispose of the property by
20 donation to a not-for-profit charitable organization, by removal of
21 the property by a trash hauler or recycler, or by any other method
22 that is reasonable under the circumstances.

23 (22) "Rental agreement" means all agreements which establish or
24 modify the terms, conditions, rules, regulations, or any other
25 provisions concerning the use and occupancy of a dwelling unit.

26 (23) A "single-family residence" is a structure maintained and
27 used as a single dwelling unit. Notwithstanding that a dwelling unit
28 shares one or more walls with another dwelling unit, it shall be
29 deemed a single-family residence if it has direct access to a street
30 and shares neither heating facilities nor hot water equipment, nor
31 any other essential facility or service, with any other dwelling
32 unit.

33 (24) A "tenant" is any person who is entitled to occupy a
34 dwelling unit primarily for living or dwelling purposes under a
35 rental agreement.

36 (25) "Tenant representative" means:

37 (a) A personal representative of a deceased tenant's estate if
38 known to the landlord;

39 (b) If the landlord has no knowledge that a personal
40 representative has been appointed for the deceased tenant's estate, a

1 person claiming to be a successor of the deceased tenant who has
2 provided the landlord with proof of death and an affidavit made by
3 the person that meets the requirements of RCW 11.62.010(2);

4 (c) In the absence of a personal representative under (a) of this
5 subsection or a person claiming to be a successor under (b) of this
6 subsection, a designated person; or

7 (d) In the absence of a personal representative under (a) of this
8 subsection, a person claiming to be a successor under (b) of this
9 subsection, or a designated person under (c) of this subsection, any
10 person who provides the landlord with reasonable evidence that he or
11 she is a successor of the deceased tenant as defined in RCW
12 11.62.005. The landlord has no obligation to identify all of the
13 deceased tenant's successors.

14 (26) "Tenant screening" means using a consumer report or other
15 information about a prospective tenant in deciding whether to make or
16 accept an offer for residential rental property to or from a
17 prospective tenant.

18 (27) "Tenant screening report" means a consumer report as defined
19 in RCW 19.182.010 and any other information collected by a tenant
20 screening service.

21 (28) "Comprehensive reusable tenant screening report" means a
22 tenant screening report prepared by a consumer reporting agency at
23 the direction of and paid for by the prospective tenant and made
24 available directly to a prospective landlord at no charge, which
25 contains all of the following: (a) A consumer credit report prepared
26 by a consumer reporting agency within the past thirty days; (b) the
27 prospective tenant's criminal history; (c) the prospective tenant's
28 eviction history; (d) an employment verification; and (e) the
29 prospective tenant's address and rental history.

30 (29) "Criminal history" means a report containing or summarizing
31 (a) the prospective tenant's criminal convictions and pending cases,
32 the final disposition of which antedates the report by no more than
33 seven years, and (b) the results of a sex offender registry and
34 United States department of the treasury's office of foreign assets
35 control search, all based on at least seven years of address history
36 and alias information provided by the prospective tenant or available
37 in the consumer credit report.

38 (30) "Eviction history" means a report containing or summarizing
39 the contents of any records of unlawful detainer actions concerning
40 the prospective tenant that are reportable in accordance with state

1 law, are lawful for landlords to consider, and are obtained after a
2 search based on at least seven years of address history and alias
3 information provided by the prospective tenant or available in the
4 consumer credit report.

5 **Sec. 2.** RCW 59.18.257 and 2012 c 41 s 3 are each amended to read
6 as follows:

7 (1)(a) Prior to obtaining any information about a prospective
8 tenant, the prospective landlord shall first notify the prospective
9 tenant in writing, or by posting, of the following:

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

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

14 (iii) If a consumer report is used, the name and address of the
15 consumer reporting agency and the prospective tenant's rights to
16 obtain a free copy of the consumer report in the event of a denial or
17 other adverse action, and to dispute the accuracy of information
18 appearing in the consumer report; and

19 (iv) Whether or not the landlord will accept a comprehensive
20 reusable tenant screening report made available to the landlord by a
21 consumer reporting agency. If the landlord indicates its willingness
22 to accept a comprehensive reusable tenant screening report, the
23 landlord may access the landlord's own tenant screening report
24 regarding a prospective tenant as long as the prospective tenant is
25 not charged for the landlord's own tenant screening report.

26 (b)(i) The landlord may charge a prospective tenant for costs
27 incurred in obtaining a tenant screening report only if the
28 prospective landlord provides the information as required in (a) of
29 this subsection.

30 (ii) If a prospective landlord conducts his or her own screening
31 of tenants, the prospective landlord may charge his or her actual
32 costs in obtaining the background information only if the prospective
33 landlord provides the information as required in (a) of this
34 subsection. The amount charged may not exceed the customary costs
35 charged by a screening service in the general area. The prospective
36 landlord's actual costs include costs incurred for long distance
37 phone calls and for time spent calling landlords, employers, and
38 financial institutions.

1 (c) If a prospective landlord takes an adverse action, the
2 prospective landlord shall provide a written notice of the adverse
3 action to the prospective tenant that states the reasons for the
4 adverse action. The adverse action notice must contain the following
5 information in a substantially similar format, including additional
6 information as may be required under chapter 19.182 RCW:

7 "ADVERSE ACTION NOTICE

8 Name

9 Address

10 City/State/Zip Code

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

12 Rejected

13 Approved with conditions:

14 Residency requires an increased deposit

15 Residency requires a qualified guarantor

16 Residency requires last month's rent

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

18 Other:

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

20 Information contained in a consumer report (The prospective
21 landlord must include the name, address, and phone number of the
22 consumer reporting agency that furnished the consumer report that
23 contributed to the adverse action.)

24 The consumer credit report did not contain sufficient
25 information

26 Information received from previous rental history or reference

27 Information received in a criminal record

28 Information received in a civil record

29 Information received from an employment verification

30 Dated this day of, ((20))....(year)

31 Agent/Owner Signature"

32 (2) Any landlord who maintains a web site advertising the rental
33 of a dwelling unit or as a source of information for current or
34 prospective tenants must include a statement on the property's home
35 page stating whether or not the landlord will accept a comprehensive
36 reusable tenant screening report made available to the landlord by a
37 consumer reporting agency. If the landlord indicates its willingness

1 to accept a comprehensive reusable tenant screening report, the
2 landlord may access the landlord's own tenant screening report
3 regarding a prospective tenant as long as the prospective tenant is
4 not charged for the landlord's own tenant screening report.

5 (3) Any landlord or prospective landlord who violates subsection
6 (1) of this section may be liable to the prospective tenant for an
7 amount not to exceed one hundred dollars. The prevailing party may
8 also recover court costs and reasonable attorneys' fees.

9 ~~((3) A stakeholder work group comprised of landlords, tenant~~
10 ~~advocates, and representatives of consumer reporting and tenant~~
11 ~~screening companies shall convene for the purposes of addressing the~~
12 ~~issues of tenant screening including, but not limited to: A tenant's~~
13 ~~cost of obtaining a tenant screening report; the portability of~~
14 ~~tenant screening reports; criteria used to evaluate a prospective~~
15 ~~tenant's background, including which court records may or may not be~~
16 ~~considered; and the regulation of tenant screening services. Specific~~
17 ~~recommendations on these issues are due to the legislature by~~
18 ~~December 1, 2012.))~~

19 (4) This section does not limit a prospective tenant's rights or
20 the duties of a screening service as otherwise provided in chapter
21 19.182 RCW.

22 NEW SECTION. Sec. 3. A new section is added to chapter 59.18
23 RCW to read as follows:

24 (1) A court may order an unlawful detainer action to be of
25 limited dissemination for one or more persons if: (a) The court finds
26 that the plaintiff's case was sufficiently without basis in fact or
27 law; (b) the tenancy was reinstated under RCW 59.18.410 or other law;
28 or (c) other good cause exists for limiting dissemination of the
29 unlawful detainer action.

30 (2) An order to limit dissemination of an unlawful detainer
31 action must be in writing.

32 (3) When an order for limited dissemination of an unlawful
33 detainer action has been entered with respect to a person, a tenant
34 screening service provider must not: (a) Disclose the existence of
35 that unlawful detainer action in a tenant screening report pertaining
36 to the person for whom dissemination has been limited, or (b) use the
37 unlawful detainer action as a factor in determining any score or
38 recommendation to be included in a tenant screening report pertaining
39 to the person for whom dissemination has been limited.

1 **Sec. 4.** RCW 59.18.280 and 2010 c 8 s 19027 are each amended to
2 read as follows:

3 (1) Within ~~((fourteen))~~ twenty-one days after the termination of
4 the rental agreement and vacation of the premises or, if the tenant
5 abandons the premises as defined in RCW 59.18.310, within
6 ~~((fourteen))~~ twenty-one days after the landlord learns of the
7 abandonment, the landlord shall give a full and specific statement of
8 the basis for retaining any of the deposit together with the payment
9 of any refund due the tenant under the terms and conditions of the
10 rental agreement.

11 (a) No portion of any deposit shall be withheld on account of
12 wear resulting from ordinary use of the premises.

13 (b) The landlord complies with this section if the required
14 statement or payment, or both, are delivered to the tenant personally
15 or deposited in the United States mail properly addressed to the
16 tenant's last known address with first-class postage prepaid within
17 the ~~((fourteen))~~ twenty-one days.

18 ~~((The notice shall be delivered to the tenant personally or by~~
19 ~~mail to his or her last known address.))~~ (2) If the landlord fails to
20 give such statement together with any refund due the tenant within
21 the time limits specified above he or she shall be liable to the
22 tenant for the full amount of the deposit. The landlord is also
23 barred in any action brought by the tenant to recover the deposit
24 from asserting any claim or raising any defense for retaining any of
25 the deposit unless the landlord shows that circumstances beyond the
26 landlord's control prevented the landlord from providing the
27 statement within the ~~((fourteen))~~ twenty-one days or that the tenant
28 abandoned the premises as defined in RCW 59.18.310. The court may in
29 its discretion award up to two times the amount of the deposit for
30 the intentional refusal of the landlord to give the statement or
31 refund due. In any action brought by the tenant to recover the
32 deposit, the prevailing party shall additionally be entitled to the
33 cost of suit or arbitration including a reasonable attorneys' fee.

34 (3) Nothing in this chapter shall preclude the landlord from
35 proceeding against, and the landlord shall have the right to proceed
36 against a tenant to recover sums exceeding the amount of the tenant's
37 damage or security deposit for damage to the property for which the
38 tenant is responsible together with reasonable attorneys' fees.

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