

# FINAL BILL REPORT

## SHB 1101

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Synopsis as Enacted

**Brief Description:** Providing for tenant screening in common interest communities.

**Sponsors:** House Committee on Housing (originally sponsored by Representatives Taylor, Bergquist, Ramel and Gregerson).

**House Committee on Housing**  
**Senate Committee on Law & Justice**

### **Background:**

#### Common Interest Communities.

A common interest community (CIC) is a form of real estate in which each unit owner or homeowner has an exclusive interest in a unit or lot and a shared or undivided interest in common area property. In Washington, several statutes govern residential CICs, such as condominiums, cooperatives, leasehold CICs, miscellaneous communities, and plat communities.

The Washington Uniform Common Interest Ownership Act (WUCIOA) took effect July 1, 2018, and is applicable to CICs created after that date. A CIC created prior to the effective date of the WUCIOA may choose to opt in to the WUCIOA, which contains comprehensive provisions addressing the management of property under its jurisdiction.

Otherwise, CICs created before July 1, 2018, remain subject to the following acts, which generally leave much of the working of a CIC to the governing documents:

- the Horizontal Property Regimes Act, which applies to residential condominiums created on or before July 1, 1990;
- the Washington Condominium Act, which applies to condominiums created after July 1, 1990; and
- the Homeowners' Association Act, which provides a framework for the formation and legal administration of homeowners' associations.

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

A CIC is administered by a unit owners' association or a homeowners' association. A unit owners' association consists of property owners and homeowners within the CIC and derives its authority from several documents, including the declaration of covenants, conditions, and restrictions; the association's bylaws and articles of incorporation; and the deeds to the property within a development.

The primary functions of a unit owners' association include managing and maintaining common areas, such as parks, roads, and community centers, for the benefit of the community; imposing and collecting assessments on unit owners; and enforcing restrictive covenants that govern the community. In addition, a unit owners' association may adopt rules and regulations concerning property use in the community and impose fines for violations of those rules.

#### Tenant Screening.

The Residential Landlord-Tenant Act (RLTA) sets forth the rights and duties of residential landlords and tenants. Under the RLTA, landlords may screen and evaluate prospective tenants either by conducting their own search or by using companies that provide tenant screening reports. Gathered information may include details about a prospective tenant's credit, employment, criminal history, eviction history, and rental history. A landlord may use this information to determine whether a prospective tenant would make a suitable tenant.

#### **Summary:**

Except as otherwise prohibited by law, an association of unit owners in a CIC may require a unit owner to:

- use a tenant screening service or obtain background information on a prospective tenant, at the owner's sole cost and expense, prior to entering into a lease with a prospective tenant; and
- provide the association with proof that the unit owner has used a tenant screening service or obtained background information on a prospective tenant.

An association of unit owners may not require a unit owner to provide the association with a copy of a tenant screening report or any background information pertaining to a tenant.

These provisions apply to associations subject to the WUCIOA, the Homeowners' Association Act, the Washington Condominium Act, and the Horizontal Property Regimes Act.

#### **Votes on Final Passage:**

House	95	0
Senate	49	0

**Effective:** July 23, 2023