

HOUSE BILL REPORT

HB 1336

*As Reported By House Committee on:
Housing*

Title: An act relating to prospective residential tenants.

Brief Description: Regulating the screening of prospective residential tenants.

Sponsor(s): Representatives Leonard, Ogden, Anderson, Ballard, Nelson, Winsley, Wineberry, Franklin, Mitchell, Paris and Brekke.

Brief History:

Reported by House Committee on:
Housing, March 5, 1991, DPS.

**HOUSE COMMITTEE ON
HOUSING**

Majority Report: *That Substitute House Bill No. 1336 be substituted therefor, and the substitute bill do pass.*

Signed by 8 members: Representatives Nelson, Chair; Franklin, Vice Chair; Mitchell, Ranking Minority Member; Winsley, Assistant Ranking Minority Member; Ballard; Leonard; Ogden; and Wineberry.

Staff: Bill Lynch (786-7092).

Background: Concerns have been expressed over the procedures some landlords use in charging certain fees to prospective tenants. State law regulates the handling of damage deposits, but is silent on the imposition of other fees or charges. Many tenants are also unaware of their rights to dispute information that affects their ability to obtain housing.

Summary of Substitute Bill: A landlord is prohibited from requiring a fee from a prospective tenant for the privilege of being placed on a list to be considered as a tenant for a dwelling unit.

A landlord may charge a prospective tenant a fee for obtaining background information on the tenant. If the landlord uses a tenant screening service, then the landlord may charge for the costs incurred for using the screening service. If a landlord conducts his or her own screening of

tenants, then the landlord may charge the actual costs incurred in obtaining the background information. The landlord may not charge more than the amount charged by an outside screening service.

A landlord may not charge a prospective tenant a fee for obtaining background information on the tenant unless the landlord: (1) notifies the prospective tenant of what a tenant screening entails, and the tenant's rights to dispute the accuracy of information provided to the landlord; and gives the prospective tenant the name and address of the tenant screening service used by the landlord.

A landlord is not required to disclose information to the prospective tenant that is not required under the Federal Fair Credit and Reporting Act.

If a landlord charges a prospective tenant a fee or deposit to secure that the tenant will move into a dwelling unit after it has been offered to the tenant, then the transaction must be reduced to writing. The landlord must provide the prospective tenant with a receipt for the fee or deposit, together with a statement of the conditions, if any, under which the fee is refundable. If the tenant does occupy the dwelling unit, then the landlord must credit the fee or deposit to the tenant's first month's rent or to the tenant's security deposit.

A landlord who violates the provisions concerning application fees may be liable to the applicant for an amount not to exceed \$100. The prevailing party may also recover court costs and reasonable attorneys' fees.

Substitute Bill Compared to Original Bill: The section which would have included the reporting of a tenant to a consumer reporting agency under retaliatory actions by a landlord is deleted. The emergency clause is deleted.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is enacted.

Testimony For: Fees are being used as an additional income source in some areas. Tenants should be able to find out information about why they are being turned down for housing.

Testimony Against: (Original bill) The emergency clause is unnecessary. Disputes with the screening agency should be between the tenant and the screening agency. No testimony against substitute bill.

Witnesses: Robert Zinsli, WA Apartment Association; Rick Slunaker, Yakima Valley Rental Association; Richard Gamble, Tenants Union; Bruce Neas, Legal Services; and Zanan Sayre.