

SENATE BILL REPORT

SHB 1336

AS REPORTED BY COMMITTEE ON LAW & JUSTICE, APRIL 5, 1991

**Brief Description:** Regulating the screening of prospective residential tenants.

**SPONSORS:** House Committee on Housing (originally sponsored by Representatives Leonard, Ogden, Anderson, Ballard, Nelson, Winsley, Wineberry, Franklin, Mitchell, Paris and Brekke).

**HOUSE COMMITTEE ON HOUSING**

**SENATE COMMITTEE ON LAW & JUSTICE**

**Majority Report:** Do pass.

Signed by Senators Nelson, Chairman; Thorsness, Vice Chairman; Erwin, Hayner, L. Kreidler, Madsen, Newhouse, and Rasmussen.

**Staff:** Ben Barnes (786-7465)

**Hearing Dates:** April 5, 1991

**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:**

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 right to dispute the accuracy of information provided to the landlord; and (2)

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.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested

**TESTIMONY FOR:**

The bill provides a fair and balanced approach to the issue of tenant application fees.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Rick Slunaker, Yakima Valley Rental Association (pro);  
Arnold Fox, Washington Apartment Association (pro)