

HOUSE BILL REPORT

HB 1257

As Reported by House Committee On:
Judiciary

Title: An act relating to tenant screening.

Brief Description: Concerning tenant screening.

Sponsors: Representatives Walkinshaw, Senn, Robinson, Stanford, Farrell, Ormsby, Riccelli, Gregerson, Jinkins, Fitzgibbon, Peterson, Bergquist, Santos and Pollet.

Brief History:

Committee Activity:

Judiciary: 2/4/15, 2/12/15 [DPS].

Brief Summary of Substitute Bill

- Defines "comprehensive screening report."
- States that a landlord may not charge a prospective tenant for a tenant screening report if a comprehensive screening report has been provided to the landlord by a consumer reporting agency.

HOUSE COMMITTEE ON JUDICIARY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Jinkins, Chair; Kilduff, Vice Chair; Goodman, Hansen, Kirby, Orwall and Walkinshaw.

Minority Report: Do not pass. Signed by 6 members: Representatives Rodne, Ranking Minority Member; Shea, Assistant Ranking Minority Member; Haler, Klippert, Muri and Stokesbary.

Staff: Brent Campbell (786-7152).

Background:

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

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

Under the RLTA, 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 tenant screening. However, prior to obtaining any information about a prospective tenant, a prospective landlord is required to first notify the prospective tenant of:

- what types of information will be accessed;
- what criteria may result in denial of the application;
- the contact information of the consumer reporting agency, if used; and
- the prospective tenants right to receive a free copy of the consumer report and to dispute the accuracy of information.

A landlord may only charge a prospective tenant for the costs incurred in obtaining a tenant screening report if this required information is provided to the prospective tenant.

Summary of Substitute Bill:

A landlord may not charge a prospective tenant for costs incurred in obtaining a tenant screening report if a comprehensive screening report regarding the prospective tenant was: (1) prepared within 30 days of the rental application; and (2) made available to the prospective landlord by a consumer reporting agency. A prospective landlord is not prevented from getting an independent tenant screening report if a comprehensive screening report is made available to him or her. However, a prospective landlord may not charge the prospective tenant for any subsequent report. The landlord also may not treat a prospective tenant any less favorably solely because a comprehensive screening report regarding the prospective tenant has been provided.

A "comprehensive screening report" is defined as a tenant screening report that contains:

- a consumer report concerning the prospective tenant prepared by a consumer reporting agency that compiles and maintains files on consumers on a nationwide bases;
- the consumer reporting agency's contact information;
- the prospective tenant's criminal history and a sex offender search;
- the prospective tenant's eviction history;
- the prospective tenant's employment verification; and
- the prospective tenant's address history.

Substitute Bill Compared to Original Bill:

The effective date of the bill was changed from November 1, 2016, to May 1, 2017.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill takes effect on May 1, 2017.

Staff Summary of Public Testimony:

(In support) Screening fees can be a significant barrier to housing, and tenants need help to overcome it. People who have their tenancy applications repeatedly denied can pay fees that range from \$25 to \$40, over and over again. When repeated fees are required, people with limited means are sometimes forced to pay hundreds of dollars just for the hope of having an application accepted. This leaves people without the money to pay for rent or a deposit even if their application was accepted. People seeking housing often limit the number of applications they submit and are sometimes forced to remain homeless or stay in abusive relationships until they can eventually find someone to accept their rental application. Portable tenant screening reports are good for consumers and would be a significant economic relief to the homeless, the disabled, and the less fortunate.

This bill is a fair and reasonable approach that would eliminate unfair and unnecessary barriers to tenancy. Screening reports are for the benefit of landlords and are currently chosen by the landlord but paid for by the tenant. This bill corrects that market shortcoming. However, landlords are not being asked to bear the burden of paying for screening reports. They are only being asked to accept high quality reports that contain the same information that landlords receive now. This bill only means that tenants would not have to pay for that same information repeatedly.

This bill is not a mandate. Landlords can still get their own independent screening reports, they would just have to pay for those reports if a comprehensive report was provided to them.

This bill would also be easy to implement. The technology already exists for portable screening reports, and there is at least one company that does portable screening in Washington. This bill also sets an effective date for 1.5 years after passage of the bill so that everyone will have time to adapt to the change.

(Opposed) This bill creates a mandate that requires landlords to accept portable screening reports. A mandate like this is dangerous, especially because there is only a single company that provides this type of product in Washington. Portability for screening reports is different than portability for something like phones. A paper document can be doctored, and should not be trusted.

Let the market work. A product currently exists in Washington that does what this bill requires, and that product has been successful in eastern Washington where it has been marketed. These products should be marketed elsewhere, and then they will become more prevalent. The problem here is not the lack of a mandate, the real problem is that people are not aware that such a product already exists. Instead of a mandate, tenants should be educated about them and landlords should be encouraged to use them.

This bill will make it harder for landlords to provide safe and affordable housing. Landlords often have relationships with screening companies. The companies use this relationship to prepare screening reports using criteria that a landlord has given them. The screening agency can also make a recommendation based on a landlord's specific criteria. This type of

relationship will not be possible with comprehensive screening reports. This will make it more difficult for landlords to interpret the report. On-site workers will also not be able to understand a report without such a recommendation and screening will therefore become more subjective.

This is a divisive issue but one modification might help. Instead of allowing for comprehensive screening reports, you could just require landlords to accept screening reports a tenant received from a previous application.

Persons Testifying: (In support) Representative Walkinshaw, prime sponsor; Patricia Abbate, Solid Ground; Michele Thomas and Susan Russell, Washington Low Income Housing Alliance; Eric Dunn, Northwest Justice Project; Jonathon Grant, Tenants Union of Washington State; Liz Mills, Young Women's Christian Association - Seattle, King, and Snohomish Counties; Kimberly Mays; Ashley Albert; Thomas Greene; Tim Seth, Washington Landlord Association; and Kristina Sawyckyj.

(Opposed) Kathryn Hedrick, Washington Multi-Family Housing Association; Melissa Koenig, Allied Residential; and Bill Hinkle, Rental Housing Association of Washington.

Persons Signed In To Testify But Not Testifying: None.