

SENATE BILL REPORT

SB 5407

As of January 31, 2017

Title: An act relating to ensuring housing options.

Brief Description: Concerning the preservation of housing options for tenants.

Sponsors: Senators Frockt, Miloscia, Walsh, Mullet, Billig, Kuderer, Pedersen, Hasegawa, Darneille and Keiser.

Brief History:

Committee Activity: Financial Institutions & Insurance: 1/31/17.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Prohibits landlords from discrimination based on source of income.• Payment of up to treble damages plus court costs and reasonable attorneys' fees if a landlord discriminates.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Staff: Jeff Olsen (786-7428)

Background: The Residential Landlord-Tenant Act regulates the creation of residential tenancies and the relationship between landlords and tenants of residential dwelling units.

Laws Against Discrimination. Under Washington's laws against discrimination, a landlord may not discriminate against a prospective or current tenant with regard to sex, marital status, sexual orientation, race, creed, color, national origin, families with children status, honorably discharged veteran status, the presence of any sensory, mental, or physical disability, or the use of a trained dog guide or service animal by a person with a disability.

Source of income discrimination. Twelve states—California, Connecticut, Maine, Massachusetts, Minnesota, New Jersey, North Dakota, Oklahoma, Oregon, Utah, Vermont, Wisconsin, and the District of Columbia—have statutes that prohibit a landlord from discriminating against a tenant in regard to the tenant's lawful source of income. Except for California and Utah's statutes, these laws specifically prohibit discrimination based on a tenant's use of Section 8 or other government assistance or subsidies. In California, there is

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case law that clarifies that source of income does not include Section 8. In Washington: Seattle, King County, Redmond, Kirkland, Bellevue, Redmond, and Vancouver have ordinances which prohibit a landlord from discriminating against a tenant who receives Section 8 subsidy, and some ordinances include additional types of government assistance.

Summary of Bill: A person is prohibited from taking certain acts based on the source of income of an otherwise eligible applicant or tenant. Prohibited acts include, but are not limited to:

- refusing to lease or rent any real property to an applicant;
- expelling a tenant from any real property;
- making any distinction, discrimination, or restriction against an applicant or tenant in the price, terms, conditions, or privileges relating to the rental;
- attempting to discourage the rental or lease of any real property;
- publishing, circulating, issuing, or displaying any communication of any kind relating to the rental or lease of real property that indicates any source of income; and
- assisting another to commit a prohibited act.

Source of income includes income derived from social security, supplemental security income, other retirement programs, and any federal, state, local, or nonprofit-administered benefit or subsidy programs, including housing assistance, public assistance, and general assistance programs. Source of income does not include income derived in an illegal manner.

These prohibitions do not apply with respect to housing for older persons as defined by federal law. The prohibitions are also not applicable to local, state, and federal restrictions regarding the maximum number of occupants permitted to occupy a dwelling unit.

A person who violates a listed act may be held liable for up to treble damages. The prevailing party may also recover court costs and reasonable attorneys' fees.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Banning source of income discrimination on the state level will be the fair, just the thing for tenants and the citizens of this state. We are living in a state of housing distress. A tenant should not be denied simply because they are using an alternative source of income. This is not rent control. The subsidies are used to supplement other sources of income to calculate eligibility. The required applications and inspections do not take much of the landlords time. Some people are being discriminated against even though they have never missed a rent payment. For some rejected tenants, the option is homelessness. There have been no adverse effects to landlords in Oregon since 2014. This will help get rid of racially segregated housing opportunities. We need a statewide system to protect all renters. Only 43 percent of current voucher holders are finding housing. This is leveling the playing field, not giving some people an advantage.

CON: Housing authority agencies can work well, but some do not. Sometimes the only way to get a housing authority's attention is to threaten not to accept the vouchers. The HUD voucher program is voluntary, so it should be voluntary for landlords as well. Landlords will be compelled to take a higher risk of under-compensation in the case of property damage. The subsidies do not pay security deposits.

OTHER: Sometimes landlords stop participating in the voucher program with little notice. Lack of participating landlords can arise if landlords do not understand the Section 8 voucher program or have stereotypes of the typical voucher holder. Source of income discrimination damages communities and schools as well as individual families.

Persons Testifying: PRO: Senator David Frockt, Prime Sponsor; Michele Thomas, Washington Low Income Housing Alliance; Jim Adrian ; Kim Toskey; Claude DeCorsi, Auburn City Council; Toya Thomas; Dominique Horn; Kate Budd, Vancouver Council for the Homeless; Patricia Abbat, Solid Ground; Megan Hyla, King County Housing Authority; Kurt Wiest, Bremerton Housing Authority; Michael Mirra, Tacoma Housing Authority/ Executive Director; Colleen Melody, Attorney General's Office, Assitant Attorney General; Mark Smith , Housing Consortium of Everett & Snohomish County; Keith Scully, Council Member, City of Shoreline; Ed Prince, Renton City Council.

CON: Kathryn Hedrick, Washington Multi-Family Housing Association; Greg Cerbana, Weidner Apartment Homes; Rob Kellum, SUHRCO; Kyle Woodring, Rental Housing Assocaiton; Chester Baldwin, Washington Rental Owners Association.

OTHER: Scott Crain, Northwest Justice Project.

Persons Signed In To Testify But Not Testifying: PRO: Michael Althaus, Columbia Legal Services; Monica Mendoza-Castrejon, Tenants Union of Washington State; Clifford Cawthon, Tenants Union and SAFE (Standing Against Foreclosure and Evictions); Clifford Cawthon, Tenants Union and SAFE (Standing Against Foreclosure and Evictions); Mary Hackney, STEPS and SAFE (Standing Against Foreclosure and Eviction); Mary Miles, STEPS Housing and SAFE (Standing Against Foreclosure and Eviction); Monica Mendoza-Castrejon, Tenants Union of Washington State; Laurie Lippold, Partners for Our Children; Patricia Abbate, Solid Ground; Xochitl Maykovich, Washington CAN / Political Organizer.