18

19

20

21

HOUSE BILL 2017

State of Washington 67th Legislature 2022 Regular Session

By Representatives Davis, Simmons, Goodman, J. Johnson, Peterson, Ramel, Ryu, Sells, Macri, Frame, and Lekanoff

Read first time 01/17/22. Referred to Committee on Housing, Human Services & Veterans.

- AN ACT Relating to addressing housing concerns for individuals impacted by the criminal legal system; amending RCW 59.18.257; reenacting and amending RCW 59.18.030; adding a new section to chapter 59.18 RCW; and creating new sections.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 NEW SECTION. Sec. 1. (1) The legislature finds that having a 7 conviction history or having been incarcerated are significant risk instability and housing 8 factors for homelessness. Formerly incarcerated 9 individuals are almost 10 times more likely to 10 experience homelessness than the rest of the population, and much 11 likely to experience housing insecurity in general. 12 legislature recognizes that formerly incarcerated people and their families report being denied housing due to a criminal conviction. 13 14 These barriers to housing have detrimental economic, emotional, and 15 psychological impacts, including separating families when one member 16 of a household is not permitted to live in the home.
 - (2) The legislature finds that criminal record screening for rental housing applicants and tenants has a disparate impact on people and communities of color due to racial inequities in the criminal legal system. These impacts are further compounded by racial bias in the tenant application and selection process. The legislature

p. 1 HB 2017

- further finds that stable housing with appropriate supportive services is a key factor in preventing homelessness and reducing recidivism for individuals who were formerly incarcerated.
- 4 (3) Therefore, the legislature intends to address housing 5 discrimination against people impacted by the criminal legal system. 6 Restricting the use of a conviction history as a reason to deny 7 housing will reduce the harmful impacts that result in high rates of 8 homelessness and housing insecurity among formerly incarcerated 9 individuals.
- 10 <u>NEW SECTION.</u> **Sec. 2.** This act may be known and cited as the 11 housing justice act.
- NEW SECTION. Sec. 3. A new section is added to chapter 59.18
 RCW to read as follows:
 - (1) A landlord or any third-party entity may not:

1819

2021

22

24

2526

27

2829

30

31

32

33

34

35

36

37

38

- 15 (a) Advertise, publicize, or implement any policy or practice 16 that automatically or categorically excludes from any rental housing 17 all individuals with any arrest record or conviction record;
 - (b) Require disclosure, inquire about, or take an adverse action against a prospective tenant, tenant, or member of the tenant's household, based on any arrest record or conviction record, except as provided in (c) of this subsection and subject to the exclusions and legal requirements in subsection (7) of this section;
 - (c) Carry out an adverse action based on registry information of a prospective tenant, tenant, or member of the tenant's household, unless the landlord has a substantial, legitimate, nondiscriminatory reason for taking such action.
 - (2)(a) If a landlord takes an adverse action based on a substantial, legitimate, nondiscriminatory reason, the landlord must provide written notice by email, mail, or in person of the adverse action to the prospective tenant or tenant and state the specific registry information that was the basis for the adverse action.
 - (b) If a tenant screening report or comprehensive reusable tenant screening report is used by a landlord as part of the screening process, the landlord must provide the name and address of the consumer reporting agency and the prospective occupant's or tenant's rights to obtain a free copy of the tenant screening report in the event of a denial or other adverse action and to dispute the accuracy of information appearing in the tenant screening report. The

p. 2 HB 2017

prospective tenant or tenant must be provided at least five business days from the time of notice to dispute the accuracy and relevance of the tenant screening report.

1

2

4

5

7

8

9

10 11

12

13

14

1516

17

18

19

2021

22

23

24

25

26

2728

29

30 31

32

33

34

3536

37

3839

40

- (c) Any refusal of tenancy under this subsection must be communicated to the tenant pursuant to RCW 59.18.257.
- (3) Any violation of this section by a landlord occurs in the course of trade or commerce as defined in the consumer protection act, chapter 19.86 RCW and is, for the purpose of applying that chapter, a matter affecting the public interest, is not reasonable in relation to the development and preservation of business, and is an unfair or deceptive act in trade or commerce.
- (4) It is a defense to an unlawful detainer action under chapter 59.12 RCW that the action to remove the tenant and recover possession of the premises is in violation of this section.
- (5) This section does not prohibit adverse housing decisions based upon other lawful factors within the landlord's knowledge.
- (6) This section does not affect, modify, or limit the authority of a local government to adopt any rule, regulation, code, or ordinance to the extent that it is consistent with this section or offers greater protection than this section to a prospective tenant, tenant, or member of the tenant's household with respect to a landlord or third-party entity's use of an arrest record, conviction registry information, tenant screening comprehensive reusable tenant screening report. This section also does not affect the authority of a local government to enforce, maintain, or amend any local rule, regulation, code, or ordinance enacted prior to January 1, 2022, related to a landlord or thirdparty entity's use of an arrest record, conviction record, registry information, tenant screening report, or comprehensive reusable tenant screening report. This section supersedes and preempts any local rule, regulation, code, or ordinance enacted on or after January 1, 2022, to the extent that it offers less protection than this section to a prospective tenant, tenant, or member of the tenant's household with respect to a landlord or third-party entity's use of an arrest record, conviction record, registry information, tenant screening report, or comprehensive reusable tenant screening report.
 - (7) This section does not apply to:
- (a) The renting, subrenting, leasing, or subleasing of federally assisted housing subject to federal regulations that require denial

p. 3 HB 2017

- of tenancy including, but not limited to, when any member of the household is subject to a lifetime sex offender registration requirement under a state sex offender registration program or convicted of manufacture or production of methamphetamine on the premises of federally assisted housing;
 - (b) The renting, subrenting, leasing, or subleasing of a single-family dwelling unit in which the owner or subleasing tenant or subrenting tenant occupy part of the single-family dwelling unit; or
- 9 (c) The renting, subrenting, leasing, or subleasing of an 10 accessory dwelling unit or attached accessory dwelling unit as 11 defined in RCW 36.70A.696.
 - (8) Nothing in this section supersedes or modifies requirements provided in chapter 9A.44 RCW including, but not limited to, registry or supervision requirements. Landlords are not responsible for knowing and enforcing the registry requirements of their tenants or prospective tenants.
 - (9) For purposes of this section:
 - (a) "Adverse action" means:
- 19 (i) Refusing to engage in or negotiate a rental real estate 20 transaction;
- 21 (ii) Denying tenancy;

7

8

12

1314

1516

17

18

29

30 31

32

33

- (iii) Representing that real property listed for rent or lease is not available for inspection, rental, or lease when in fact it is so available;
- 25 (iv) Failing or refusing to add a household member to an existing 26 lease;
- 27 (v) Expelling or evicting an occupant from real property or 28 otherwise making unavailable or denying a dwelling;
 - (vi) Applying different terms, conditions, or privileges to a rental agreement including, but not limited to, the setting of rates for rental or lease, establishment of damage deposits, or other financial conditions for rental or lease, or in the furnishing of facilities or services in connection with such transaction;
- 34 (vii) Refusing or failing to list real property for rent or 35 lease;
- 36 (viii) Refusing or failing to show real property listed for rent 37 or lease;
- 38 (ix) Refusing or failing to accept or transmit any reasonable 39 offer to lease, or rent real property;
- 40 (x) Terminating a lease; or

p. 4 HB 2017

- 1 (xi) Threatening, penalizing, retaliating, or otherwise 2 discriminating against any person for any reason prohibited under 3 this section.
 - (b) "Arrest record" includes, but is not limited to, information indicating that a person has been questioned, apprehended, taken into custody or detention, held for investigation, arrested, charged with, indicted, or tried for any felony, misdemeanor, or other offense pursuant to any law enforcement or military authority.
 - (c) "Conviction record" includes, but is not limited to, information indicating that a person has been convicted of a felony, misdemeanor, or other offense including a civil ordinance violation (forfeiture), placed on probation, fined, imprisoned, or paroled pursuant to any law enforcement or military authority.
 - (d) A "substantial, legitimate, nondiscriminatory reason" exists when the policy or practice is necessary to achieve a substantial, legitimate, and nondiscriminatory interest, which is determined by the landlord by demonstrating, through reliable evidence, a nexus between the policy or practice and resident safety or protecting the property, or both, having considered all the following factors:
 - (i) The nature and severity of the conviction;
 - (ii) The number and types of convictions;

- (iii) The time that has elapsed since the date of conviction;
- (iv) The age of the individual at the time of offense, excluding any convictions for offenses that occurred under the age of 25;
 - (v) Evidence of good tenant history before or after the conviction occurred; and
 - (vi) Any supplemental information related to the individual's rehabilitation, good conduct, and additional facts or explanations if provided by the individual.
 - (e) "Registry information" means information solely obtained from a county, statewide, or national sex offender registry including, but not limited to, the registrant's physical description, address, and conviction description and dates.
 - (f) "Supplemental information" means any information produced by the prospective tenant or tenant, or produced on the tenant's behalf, with respect to the tenant's rehabilitation or good conduct including, but not limited to:
- 38 (i) Written or oral statement from the prospective tenant or 39 tenant;

p. 5 HB 2017

- 1 (ii) Written or oral statement from a current or previous 2 employer;
- 3 (iii) Written or oral statement from a current or previous 4 landlord;
- 5 (iv) Written or oral statement from a member of the judiciary or 6 law enforcement, parole or probation officer, or person who provides 7 similar services;
 - (v) Written or oral statement from a member of the clergy, counselor, therapist, social worker, community or volunteer organization, or person or institution who provides similar services;
 - (vi) Certificate of rehabilitation;
- 12 (vii) Certificate of completion or enrollment in an educational 13 or vocational training program, including apprenticeship programs; or
- 14 (viii) Certificate of completion or enrollment in a drug or 15 alcohol treatment program or in a rehabilitation program.
- Sec. 4. RCW 59.18.030 and 2021 c 212 s 1 are each reenacted and amended to read as follows:

18 As used in this chapter:

8

9

10 11

1920

21

38

39

- (1) "Active duty" means service authorized by the president of the United States, the secretary of defense, or the governor for a period of more than 30 consecutive days.
- 22 "Certificate of inspection" means an unsworn statement, declaration, verification, or certificate made in accordance with the 23 24 requirements of chapter 5.50 RCW by a qualified inspector that states that the landlord has not failed to fulfill any substantial 25 obligation imposed under RCW 59.18.060 that endangers or impairs the 26 27 health or safety of a tenant, including (a) structural members that 28 are of insufficient size or strength to carry imposed loads with safety, (b) exposure of the occupants to the weather, (c) plumbing 29 30 and sanitation defects that directly expose the occupants to the risk 31 of illness or injury, (d) not providing facilities adequate to supply 32 heat and water and hot water as reasonably required by the tenant, (e) providing heating or ventilation systems that are not functional 33 or are hazardous, (f) defective, hazardous, or missing electrical 34 wiring or electrical service, (g) defective or hazardous exits that 35 increase the risk of injury to occupants, and (h) conditions that 36 increase the risk of fire. 37
 - (3) "Commercially reasonable manner," with respect to a sale of a deceased tenant's personal property, means a sale where every aspect

p. 6 HB 2017

of the sale, including the method, manner, time, place, and other terms, must be commercially reasonable. If commercially reasonable, a landlord may sell the tenant's property by public or private proceedings, by one or more contracts, as a unit or in parcels, and at any time and place and on any terms.

- (4) "Comprehensive reusable tenant screening report" means a tenant screening report prepared by a consumer reporting agency at the direction of and paid for by the prospective tenant and made available directly to a prospective landlord at no charge, which contains all of the following: (a) A consumer credit report prepared by a consumer reporting agency within the past 30 days; (b) except as limited in section 3 of this act, the prospective tenant's criminal history; (c) the prospective tenant's eviction history; (d) an employment verification; and (e) the prospective tenant's address and rental history.
- (5) "Criminal history" means a report containing or summarizing (a) the prospective tenant's criminal convictions and pending cases, the final disposition of which antedates the report by no more than seven years, and (b) the results of a sex offender registry and United States department of the treasury's office of foreign assets control search, all based on at least seven years of address history and alias information provided by the prospective tenant or available in the consumer credit report.
- (6) "Designated person" means a person designated by the tenant under RCW 59.18.590.
 - (7) "Distressed home" has the same meaning as in RCW 61.34.020.
- 27 (8) "Distressed home conveyance" has the same meaning as in RCW 28 61.34.020.
- 29 (9) "Distressed home purchaser" has the same meaning as in RCW 30 61.34.020.
 - (10) "Dwelling unit" is a structure or that part of a structure which is used as a home, residence, or sleeping place by one person or by two or more persons maintaining a common household, including but not limited to single-family residences and units of multiplexes, apartment buildings, and mobile homes.
 - (11) "Eviction history" means a report containing or summarizing the contents of any records of unlawful detainer actions concerning the prospective tenant that are reportable in accordance with state law, are lawful for landlords to consider, and are obtained after a search based on at least seven years of address history and alias

p. 7 HB 2017

- information provided by the prospective tenant or available in the consumer credit report.
 - (12) "Gang" means a group that: (a) Consists of three or more persons; (b) has identifiable leadership or an identifiable name, sign, or symbol; and (c) on an ongoing basis, regularly conspires and acts in concert mainly for criminal purposes.
- 7 (13) "Gang-related activity" means any activity that occurs 8 within the gang or advances a gang purpose.
- 9 (14) "Immediate family" includes state registered domestic 10 partner, spouse, parents, grandparents, children, including foster 11 children, siblings, and in-laws.
 - (15) "In danger of foreclosure" means any of the following:
- 13 (a) The homeowner has defaulted on the mortgage and, under the 14 terms of the mortgage, the mortgagee has the right to accelerate full 15 payment of the mortgage and repossess, sell, or cause to be sold the 16 property;
- 17 (b) The homeowner is at least 30 days delinquent on any loan that 18 is secured by the property; or
 - (c) The homeowner has a good faith belief that he or she is likely to default on the mortgage within the upcoming four months due to a lack of funds, and the homeowner has reported this belief to:
 - (i) The mortgagee;

4

5

12

19

2021

22

32

- 23 (ii) A person licensed or required to be licensed under chapter 24 19.134 RCW;
- 25 (iii) A person licensed or required to be licensed under chapter 26 19.146 RCW;
- 27 (iv) A person licensed or required to be licensed under chapter 28 18.85 RCW;
- 29 (v) An attorney-at-law;
- 30 (vi) A mortgage counselor or other credit counselor licensed or 31 certified by any federal, state, or local agency; or
 - (vii) Any other party to a distressed property conveyance.
- 33 (16) "Landlord" means the owner, lessor, or sublessor of the 34 dwelling unit or the property of which it is a part, and in addition 35 means any person designated as representative of the owner, lessor, 36 or sublessor including, but not limited to, an agent, a resident 37 manager, or a designated property manager.
- 38 (17) "Mortgage" is used in the general sense and includes all 39 instruments, including deeds of trust, that are used to secure an 40 obligation by an interest in real property.

p. 8 HB 2017

- 1 (18) "Orders" means written official military orders, or any 2 written notification, certification, or verification from the service 3 member's commanding officer, with respect to the service member's 4 current or future military status.
 - (19) "Owner" means one or more persons, jointly or severally, in whom is vested:
 - (a) All or any part of the legal title to property; or

7

10 11

12

1314

1516

17

18

19

2021

22

2324

25

26

27

2829

30 31

32

33

34

35

36

37

38

- 8 (b) All or part of the beneficial ownership, and a right to 9 present use and enjoyment of the property.
 - (20) "Permanent change of station" means: (a) Transfer to a unit located at another port or duty station; (b) change in a unit's home port or permanent duty station; (c) call to active duty for a period not less than 90 days; (d) separation; or (e) retirement.
 - (21) "Person" means an individual, group of individuals, corporation, government, or governmental agency, business trust, estate, trust, partnership, or association, two or more persons having a joint or common interest, or any other legal or commercial entity.
 - (22) "Premises" means a dwelling unit, appurtenances thereto, grounds, and facilities held out for the use of tenants generally and any other area or facility which is held out for use by the tenant.
 - (23) "Property" or "rental property" means all dwelling units on a contiguous quantity of land managed by the same landlord as a single, rental complex.
 - (24) "Prospective landlord" means a landlord or a person who advertises, solicits, offers, or otherwise holds a dwelling unit out as available for rent.
 - (25) "Prospective tenant" means a tenant or a person who has applied for residential housing that is governed under this chapter.
 - (26) "Qualified inspector" means a United States department of housing and urban development certified inspector; a Washington state licensed home inspector; an American society of home inspectors certified inspector; a private inspector certified by the national association of housing and redevelopment officials, the American association of code enforcement, or other comparable professional association as approved by the local municipality; a municipal code enforcement officer; a Washington licensed structural engineer; or a Washington licensed architect.
- 39 (27) "Reasonable attorneys' fees," where authorized in this 40 chapter, means an amount to be determined including the following

p. 9 HB 2017

factors: The time and labor required, the novelty and difficulty of the questions involved, the skill requisite to perform the legal service properly, the fee customarily charged in the locality for similar legal services, the amount involved and the results obtained, and the experience, reputation and ability of the lawyer or lawyers performing the services.

- (28) "Reasonable manner," with respect to disposing of a deceased tenant's personal property, means to dispose of the property by donation to a not-for-profit charitable organization, by removal of the property by a trash hauler or recycler, or by any other method that is reasonable under the circumstances.
- (29) "Rent" or "rental amount" means recurring and periodic charges identified in the rental agreement for the use and occupancy of the premises, which may include charges for utilities. Except as provided in RCW 59.18.283(3), these terms do not include nonrecurring charges for costs incurred due to late payment, damages, deposits, legal costs, or other fees, including attorneys' fees.
- (30) "Rental agreement" or "lease" means all agreements which establish or modify the terms, conditions, rules, regulations, or any other provisions concerning the use and occupancy of a dwelling unit.
- (31) "Service member" means an active member of the United States armed forces, a member of a military reserve component, or a member of the national guard who is either stationed in or a resident of Washington state.
- (32) A "single-family residence" is a structure maintained and used as a single dwelling unit. Notwithstanding that a dwelling unit shares one or more walls with another dwelling unit, it shall be deemed a single-family residence if it has direct access to a street and shares neither heating facilities nor hot water equipment, nor any other essential facility or service, with any other dwelling unit.
- (33) "Subsidized housing" refers to rental housing for very low-income or low-income households that is a dwelling unit operated directly by a public housing authority or its affiliate, or that is insured, financed, or assisted in whole or in part through one of the following sources:
- 37 (a) A federal program or state housing program administered by 38 the department of commerce or the Washington state housing finance 39 commission;

p. 10 HB 2017

- 1 (b) A federal housing program administered by a city or county 2 government;
 - (c) An affordable housing levy authorized under RCW 84.52.105; or
 - (d) The surcharges authorized in RCW 36.22.178 and 36.22.179 and any of the surcharges authorized in chapter 43.185C RCW.
 - (34) A "tenant" is any person who is entitled to occupy a dwelling unit primarily for living or dwelling purposes under a rental agreement.
 - (35) "Tenant representative" means:

- 10 (a) A personal representative of a deceased tenant's estate if 11 known to the landlord;
 - (b) If the landlord has no knowledge that a personal representative has been appointed for the deceased tenant's estate, a person claiming to be a successor of the deceased tenant who has provided the landlord with proof of death and an affidavit made by the person that meets the requirements of RCW 11.62.010(2);
 - (c) In the absence of a personal representative under (a) of this subsection or a person claiming to be a successor under (b) of this subsection, a designated person; or
 - (d) In the absence of a personal representative under (a) of this subsection, a person claiming to be a successor under (b) of this subsection, or a designated person under (c) of this subsection, any person who provides the landlord with reasonable evidence that he or she is a successor of the deceased tenant as defined in RCW 11.62.005. The landlord has no obligation to identify all of the deceased tenant's successors.
 - (36) "Tenant screening" means using a consumer report or other information about a prospective tenant in deciding whether to make or accept an offer for residential rental property to or from a prospective tenant.
 - (37) "Tenant screening report" means a consumer report as defined in RCW 19.182.010 and any other information collected by a tenant screening service.
 - (38) "Transitional housing" means housing units owned, operated, or managed by a nonprofit organization or governmental entity in which supportive services are provided to individuals and families that were formerly homeless, with the intent to stabilize them and move them to permanent housing within a period of not more than twenty-four months, or longer if the program is limited to tenants within a specified age range or the program is intended for tenants

p. 11 HB 2017

- 1 in need of time to complete and transition from educational or 2 training or service programs.
- **Sec. 5.** RCW 59.18.257 and 2016 c 66 s 2 are each amended to read 4 as follows:

- (1) (a) Prior to obtaining any information about a prospective tenant, the prospective landlord shall first notify the prospective tenant in writing, or by posting, of the following:
- (i) What types of information will be accessed to conduct the tenant screening;
 - (ii) What criteria may result in denial of the application;
 - (iii) If a consumer report is used, the name and address of the consumer reporting agency and the prospective tenant's rights to obtain a free copy of the consumer report in the event of a denial or other adverse action, and to dispute the accuracy of information appearing in the consumer report; and
 - (iv) Whether or not the landlord will accept a comprehensive reusable tenant screening report made available to the landlord by a consumer reporting agency. If the landlord indicates its willingness to accept a comprehensive reusable tenant screening report, the landlord may access the landlord's own tenant screening report regarding a prospective tenant as long as the prospective tenant is not charged for the landlord's own tenant screening report.
 - (b)(i) The landlord may charge a prospective tenant for costs incurred in obtaining a tenant screening report only if the prospective landlord provides the information as required in (a) of this subsection.
 - (ii) If a prospective landlord conducts his or her own screening of tenants, the prospective landlord may charge his or her actual costs in obtaining the background information only if the prospective landlord provides the information as required in (a) of this subsection. The amount charged may not exceed the customary costs charged by a screening service in the general area. The prospective landlord's actual costs include costs incurred for long distance phone calls and for time spent calling landlords, employers, and financial institutions.
 - (c) If a prospective landlord takes an adverse action, the prospective landlord shall provide a written notice of the adverse action to the prospective tenant that states the reasons for the adverse action. The adverse action notice must contain the following

p. 12 HB 2017

- 1 information in a substantially similar format, including additional
- 2 information as may be required under chapter 19.182 RCW:
- 3 "ADVERSE ACTION NOTICE
- 4 Name
- 5 Address
- 6 City/State/Zip Code
- 7 This notice is to inform you that your application has been:
- 8 Rejected
- 9 Approved with conditions:
- 10 Residency requires an increased deposit
- 11 Residency requires a qualified guarantor
- 12 Residency requires last month's rent
- 13 Residency requires an increased monthly rent of \$......
- 14 Other:
- 15 Adverse action on your application was based on the following:
- 16 Information contained in a consumer report (The prospective
- 17 landlord must include the name, address, and phone number of the
- 18 consumer reporting agency that furnished the consumer report that
- 19 contributed to the adverse action.)
- 20 The consumer credit report did not contain sufficient
- 21 information
- 22 Information received from previous rental history or reference
- 23 Information received in a criminal <u>history</u> record <u>that relates</u>
- 24 to a substantial, legitimate, nondiscriminatory reason as described
- 25 in section 3 of this act
- 26 Information received in a civil record
- 27 Information received from an employment verification
- 28 Dated this day of, (year)
- 29 Agent/Owner Signature"
- 30 (2) Any landlord who maintains a website advertising the rental
- 31 of a dwelling unit or as a source of information for current or
- 32 prospective tenants must include a statement on the property's home
- 33 page stating whether or not the landlord will accept a comprehensive
- 34 reusable tenant screening report made available to the landlord by a
- 35 consumer reporting agency. If the landlord indicates its willingness
- 36 to accept a comprehensive reusable tenant screening report, the
- 37 landlord may access the landlord's own tenant screening report

p. 13 HB 2017

regarding a prospective tenant as long as the prospective tenant is not charged for the landlord's own tenant screening report.

- (3) Any landlord or prospective landlord who violates subsection (1) of this section may be liable to the prospective tenant for an amount not to exceed one hundred dollars. The prevailing party may also recover court costs and reasonable attorneys' fees.
- (4) This section does not limit a prospective tenant's rights or the duties of a screening service as otherwise provided in chapter 19.182 RCW.

--- END ---

p. 14 HB 2017