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## Housing Committee

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### HB 2323

**Brief Description:** Requiring landlords to report on-time rent payments to consumer reporting agencies.

**Sponsors:** Representatives Peterson, Reed, Ramel, Morgan, Bateman, Davis, Simmons, Pollet and Macri.

**Brief Summary of Bill**

- Requires landlords under the Residential Landlord-Tenant Act and the Manufactured/Mobile Home Landlord-Tenant Act to submit documentation on request of a tenant's on-time rental payments to a national consumer reporting agency.

**Hearing Date:** 1/25/24

**Staff:** Austin Borcharding (786-7094).

**Background:**

Neither the federal nor the state Fair Credit Reporting Act prohibit the reporting of rental payment history to consumer reporting agencies (CRAs). The inclusion of such history in the credit reports that these agencies generate is also not prohibited. No federal law currently requires landlords to report rental payments of any sort to any CRA. There are two states with laws concerning the reporting of rental payment information by landlords to CRAs:

- California introduced legislation in 2020 which requires landlords to offer their tenants the option to have their rental payments reported to at least one nationwide CRA.
- Colorado introduced legislation in 2021 which created a pilot program for rent reporting to credit agencies. The program involves a set number of landlords and tenants and is

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managed by a third-party contractor.

Washington does not require landlords to report rental payment information to any CRA.

### **Summary of Bill:**

#### Rental Payment Reporting.

At the request of a tenant, landlords must submit documentation of on-time rental payments to at least one of the following two types of CRAs:

- a nationwide CRA; or
- any other CRA so long as the CRA furnishes rental payment information to a nationwide CRA.

Landlords must keep records sufficient to demonstrate that they have reported tenant's rental payment information as requested, and they must provide documentation of this reporting upon request by a tenant.

Landlords are not required to report late or missed rental payments.

#### Notice to Tenants.

Landlords must provide written notice to tenants that they can request to have their on-time rent payments reported to a CRA.

If the tenant is a new or prospective tenant, the landlord must provide the notice prior to or at the time of the signing of the new lease.

If the tenant is an existing tenant, the landlord must provide the notice whenever a lease is renewed or a new lease is entered into except when the new lease is entered into by default without the prior agreement of the parties.

The notice provided by the landlord must include the following:

- a statement that the tenant can have their on-time rent payments reported to a CRA;
- a statement that the landlord has no duty to report late or missed payments;
- a statement that the tenant's participation in rent reporting is voluntary, and that they can withdraw at any time, for any reason, by providing written notice;
- a statement that the reporting will commence within 30 days and will continue until the tenant withdraws or the lease is terminated; and
- a section affirmatively asking if the tenant wishes to have their rental payment information reported, and a clearly marked space for the tenant to indicate yes or no, sign, and date.

#### Requests from Tenants.

Any time during a current lease or tenancy month-to-month, a tenant can request that a landlord begin reporting their rental payment information.

The request must:

- be made in writing;
- state that the tenant is requesting that the landlord begin reporting the tenant's rental payment information;
- be signed and dated by the tenant; and
- be delivered in person or by certified mail to any one of the following:
  - the landlord;
  - the landlord's authorized agent;
  - a property manager involved in the management of the property where the rental is located;
  - any building that is:
    - regularly used for managing or otherwise administrating the business affairs of the property where the rental is located; and
    - located on the same property as the rental; or
  - any address that accepts delivery of rental payments under the rental agreement or lease.

Termination of Landlord's Duty to Report.

If a tenant fails to pay their rent on time, they're deemed to have provided notice that they no longer wish to have their rental payment information reported, and the landlord's duty to report such information is immediately terminated. If a tenant provides notice of their desire to withdraw in this manner, they are not eligible to have their rental payment information reported again in their current lease for six months.

A landlord's duty to report rental payment information terminates automatically at the end of a lease, or when a lease reverts by default to a tenancy month-to-month without prior agreement of the parties.

**Appropriation:** None.

**Fiscal Note:** Requested on January 19, 2024.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.