

SENATE BILL REPORT

SB 6212

As of January 23, 2024

Title: An act relating to requiring landlords to report on-time rent payments to consumer reporting agencies.

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

Sponsors: Senators Shewmake, Nguyen, Cleveland, Van De Wege, Kuderer, Nobles, Saldaña, Stanford, Trudeau and Valdez.

Brief History:

Committee Activity: Housing: 1/24/24.

Brief Summary of Bill

- Requires landlords subject to the Residential Landlord-Tenant Act and the Manufactured/Mobile Home Landlord-Tenant Act to report on-time rent payments to consumer credit reporting agencies at the request of a tenant.

SENATE COMMITTEE ON HOUSING

Staff: Samantha Doyle (786-7335)

Background: Fair Credit Reporting Act. 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:

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- 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; and
- 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 managed by a third-party contractor.

Rent Regulation. The Residential Landlord-Tenant Act (RLTA) and Manufactured/Mobile Home Landlord-Tenant Act (MHLTA) establish rights and duties for both tenants and landlords such as conditions for eviction and termination of the lease, notice requirements, allowable provisions within lease agreements, and the handling of security deposits. Washington does not require landlords to report rental payment information to any CRA.

Summary of Bill: Upon request of a current or prospective tenant, landlords subject to either the RLTA or the MHLTA will be required to submit documentation of a tenant's timely rent payments to CRA's. Landlords are not obligated to report late payments.

Rental Payment Reporting. If requested, 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 to the tenant upon request. Landlords are not required to report late or missed rental payments.

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

Termination of Landlord's Duty to Report. If a tenant fails to pay their rent on time they are 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 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: Available.

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

Effective Date: The bill takes effect on January 1, 2025.