H-2206.1		

## SUBSTITUTE HOUSE BILL 1766

State of Washington 61st Legislature 2009 Regular Session

By House Judiciary (originally sponsored by Representatives Ormsby, Darneille, Chase, Miloscia, Nelson, Green, Kagi, Kenney, Morrell, and Haseqawa)

READ FIRST TIME 02/20/09.

- 1 AN ACT Relating to discrimination based on lawful source of income;
- 2. amending RCW 49.60.030, 49.60.222, 49.60.223, 49.60.224, and 49.60.225;
- and reenacting and amending RCW 49.60.040. 3
- BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON: 4
- 5 **Sec. 1.** RCW 49.60.030 and 2007 c 187 s 3 are each amended to read as follows: 6
- 7 (1) The right to be free from discrimination because of race, creed, color, national origin, sex, honorably discharged veteran or military status, sexual orientation, or the presence of any sensory, 10 mental, or physical disability or the use of a trained dog guide or 11 service animal by a person with a disability is recognized as and declared to be a civil right. This right shall include, but not be 12
- 13 limited to:

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- (a) The right to obtain and hold employment without discrimination;
- 15 (b) The right to the full enjoyment of any of the accommodations,
- 16 advantages, facilities, or privileges of any place of public resort,
- 17 accommodation, assemblage, or amusement;
- 18 (c) The right to engage in real estate transactions without

discrimination, including discrimination against families with children and discrimination against individuals due to lawful source of income;

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- (d) The right to engage in credit transactions without discrimination;
- (e) The right to engage in insurance transactions or transactions with health maintenance organizations without discrimination: PROVIDED, That a practice which is not unlawful under RCW 48.30.300, 48.44.220, or 48.46.370 does not constitute an unfair practice for the purposes of this subparagraph; and
- (f) The right to engage in commerce free from any discriminatory boycotts or blacklists. Discriminatory boycotts or blacklists for purposes of this section shall be defined as the formation or execution of any express or implied agreement, understanding, policy or contractual arrangement for economic benefit between any persons which is not specifically authorized by the laws of the United States and which is required or imposed, either directly or indirectly, overtly or covertly, by a foreign government or foreign person in order to restrict, condition, prohibit, or interfere with or in order to exclude any person or persons from any business relationship on the basis of race, color, creed, religion, sex, honorably discharged veteran or military status, sexual orientation, 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, or national origin or lawful business relationship: PROVIDED HOWEVER, That nothing herein contained shall prohibit the use of boycotts as authorized by law pertaining to labor disputes and unfair labor practices.
- (2) Any person deeming himself or herself injured by any act in violation of this chapter shall have a civil action in a court of competent jurisdiction to enjoin further violations, or to recover the actual damages sustained by the person, or both, together with the cost of suit including reasonable attorneys' fees or any other appropriate remedy authorized by this chapter or the United States Civil Rights Act of 1964 as amended, or the Federal Fair Housing Amendments Act of 1988 (42 U.S.C. Sec. 3601 et seq.).
- (3) Except for any unfair practice committed by an employer against an employee or a prospective employee, or any unfair practice in a real estate transaction which is the basis for relief specified in the amendments to RCW 49.60.225 contained in chapter 69, Laws of 1993, any

- 1 unfair practice prohibited by this chapter which is committed in the
- 2 course of trade or commerce as defined in the Consumer Protection Act,
- 3 chapter 19.86 RCW, is, for the purpose of applying that chapter, a
- 4 matter affecting the public interest, is not reasonable in relation to
- 5 the development and preservation of business, and is an unfair or
- 6 deceptive act in trade or commerce.

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- 7 Sec. 2. RCW 49.60.040 and 2007 c 317 s 2 and 2007 c 187 s 4 are 8 each reenacted and amended to read as follows:
- 9 The definitions in this section apply throughout this chapter 10 unless the context clearly requires otherwise.
- 11 (1) "Person" includes one or more individuals, partnerships,
  12 associations, organizations, corporations, cooperatives, legal
  13 representatives, trustees and receivers, or any group of persons; it
  14 includes any owner, lessee, proprietor, manager, agent, or employee,
  15 whether one or more natural persons; and further includes any political
  16 or civil subdivisions of the state and any agency or instrumentality of
  17 the state or of any political or civil subdivision thereof.
- 18 (2) "Commission" means the Washington state human rights 19 commission.
  - (3) "Employer" includes any person acting in the interest of an employer, directly or indirectly, who employs eight or more persons, and does not include any religious or sectarian organization not organized for private profit.
  - (4) "Employee" does not include any individual employed by his or her parents, spouse, or child, or in the domestic service of any person.
    - (5) "Labor organization" includes any organization which exists for the purpose, in whole or in part, of dealing with employers concerning grievances or terms or conditions of employment, or for other mutual aid or protection in connection with employment.
- 31 (6) "Employment agency" includes any person undertaking with or 32 without compensation to recruit, procure, refer, or place employees for 33 an employer.
- 34 (7) "Marital status" means the legal status of being married, 35 single, separated, divorced, or widowed.
  - (8) "National origin" includes "ancestry".

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(9) "Full enjoyment of" includes the right to purchase any service, commodity, or article of personal property offered or sold on, or by, any establishment to the public, and the admission of any person to accommodations, advantages, facilities, or privileges of any place of public resort, accommodation, assemblage, or amusement, without acts directly or indirectly causing persons of any particular race, creed, color, sex, sexual orientation, national origin, <u>lawful source of income</u>, or with any sensory, mental, or physical disability, or the use of a trained dog guide or service animal by a person with a disability, to be treated as not welcome, accepted, desired, or solicited.

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(10) "Any place of public resort, accommodation, assemblage, or amusement" includes, but is not limited to, any place, licensed or unlicensed, kept for gain, hire, or reward, or where charges are made admission, service, occupancy, or use of any property facilities, whether conducted for the entertainment, housing, lodging of transient guests, or for the benefit, use, or accommodation of those seeking health, recreation, or rest, or for the burial or other disposition of human remains, or for the sale of goods, merchandise, services, or personal property, or for the rendering of personal services, or for public conveyance or transportation on land, water, or in the air, including the stations and terminals thereof and the garaging of vehicles, or where food or beverages of any kind are sold for consumption on the premises, or where public amusement, entertainment, sports, or recreation of any kind is offered with or without charge, or where medical service or care is made available, or where the public gathers, congregates, or assembles for amusement, recreation, or public purposes, or public halls, public elevators, and public washrooms of buildings and structures occupied by two or more tenants, or by the owner and one or more tenants, or any public library or educational institution, or schools of special instruction, or nursery schools, or day care centers or children's camps: That nothing contained in this definition shall be construed to include or apply to any institute, bona fide club, or place of accommodation, which is by its nature distinctly private, including fraternal organizations, though where public use is permitted that use shall be covered by this chapter; nor shall anything contained in this definition apply to any educational facility, columbarium, crematory,

- 1 mausoleum, or cemetery operated or maintained by a bona fide religious
  2 or sectarian institution.
  - (11) "Real property" includes buildings, structures, dwellings, real estate, lands, tenements, leaseholds, interests in real estate cooperatives, condominiums, and hereditaments, corporeal and incorporeal, or any interest therein.
  - (12) "Real estate transaction" includes the sale, appraisal, brokering, exchange, purchase, rental, or lease of real property, transacting or applying for a real estate loan, or the provision of brokerage services.
  - (13) "Dwelling" means any building, structure, or portion thereof that is occupied as, or designed or intended for occupancy as, a residence by one or more families, and any vacant land that is offered for sale or lease for the construction or location thereon of any such building, structure, or portion thereof.
    - (14) "Sex" means gender.

- (15) "Sexual orientation" means heterosexuality, homosexuality, bisexuality, and gender expression or identity. As used in this definition, "gender expression or identity" means having or being perceived as having a gender identity, self-image, appearance, behavior, or expression, whether or not that gender identity, self-image, appearance, behavior, or expression is different from that traditionally associated with the sex assigned to that person at birth.
- (16) "Aggrieved person" means any person who: (a) Claims to have been injured by an unfair practice in a real estate transaction; or (b) believes that he or she will be injured by an unfair practice in a real estate transaction that is about to occur.
- (17) "Complainant" means the person who files a complaint in a real estate transaction.
- (18) "Respondent" means any person accused in a complaint or amended complaint of an unfair practice in a real estate transaction.
- (19) "Credit transaction" includes any open or closed end credit transaction, whether in the nature of a loan, retail installment transaction, credit card issue or charge, or otherwise, and whether for personal or for business purposes, in which a service, finance, or interest charge is imposed, or which provides for repayment in scheduled payments, when such credit is extended in the regular course of any trade or commerce, including but not limited to transactions by

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banks, savings and loan associations or other financial lending institutions of whatever nature, stock brokers, or by a merchant or mercantile establishment which as part of its ordinary business permits or provides that payment for purchases of property or service therefrom may be deferred.

- (20) "Families with children status" means one or more individuals who have not attained the age of eighteen years being domiciled with a parent or another person having legal custody of such individual or individuals, or with the designee of such parent or other person having such legal custody, with the written permission of such parent or other person. Families with children status also applies to any person who is pregnant or is in the process of securing legal custody of any individual who has not attained the age of eighteen years.
- (21) "Covered multifamily dwelling" means: (a) Buildings consisting of four or more dwelling units if such buildings have one or more elevators; and (b) ground floor dwelling units in other buildings consisting of four or more dwelling units.
- (22) "Premises" means the interior or exterior spaces, parts, components, or elements of a building, including individual dwelling units and the public and common use areas of a building.
- (23) "Dog guide" means a dog that is trained for the purpose of guiding blind persons or a dog that is trained for the purpose of assisting hearing impaired persons.
- (24) "Service animal" means an animal that is trained for the purpose of assisting or accommodating a sensory, mental, or physical disability of a person with a disability.
- (25)(a) "Disability" means the presence of a sensory, mental, or physical impairment that:
  - (i) Is medically cognizable or diagnosable; or
  - (ii) Exists as a record or history; or
- 31 (iii) Is perceived to exist whether or not it exists in fact.
- 32 (b) A disability exists whether it is temporary or permanent, 33 common or uncommon, mitigated or unmitigated, or whether or not it 34 limits the ability to work generally or work at a particular job or 35 whether or not it limits any other activity within the scope of this 36 chapter.
- 37 (c) For purposes of this definition, "impairment" includes, but is 38 not limited to:

(i) Any physiological disorder, or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological, musculoskeletal, special sense organs, respiratory, including speech organs, cardiovascular, reproductive, digestive, genitor-urinary, hemic and lymphatic, skin, and endocrine; or

- (ii) Any mental, developmental, traumatic, or psychological disorder, including but not limited to cognitive limitation, organic brain syndrome, emotional or mental illness, and specific learning disabilities.
- (d) Only for the purposes of qualifying for reasonable accommodation in employment, an impairment must be known or shown through an interactive process to exist in fact and:
- (i) The impairment must have a substantially limiting effect upon the individual's ability to perform his or her job, the individual's ability to apply or be considered for a job, or the individual's access to equal benefits, privileges, or terms or conditions of employment; or
- (ii) The employee must have put the employer on notice of the existence of an impairment, and medical documentation must establish a reasonable likelihood that engaging in job functions without an accommodation would aggravate the impairment to the extent that it would create a substantially limiting effect.
- (e) For purposes of (d) of this subsection, a limitation is not substantial if it has only a trivial effect.
- (26) "Honorably discharged veteran or military status" means a person who is:
  - (a) A veteran, as defined in RCW 41.04.007; or
- (b) An active or reserve member in any branch of the armed forces of the United States, including the national guard, coast guard, and armed forces reserves.
- in the renting or leasing of real property, including income derived
  from employment, social security, supplemental security income, other
  retirement programs, child support, alimony, and any federal, state,
  local, or nonprofit-administered benefit or subsidy programs, including
  housing assistance, public assistance, and general assistance programs.

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**Sec. 3.** RCW 49.60.222 and 2007 c 187 s 13 are each amended to read 2 as follows:

- (1) It is an unfair practice for any person, whether acting for himself, herself, or another, because of sex, marital status, sexual orientation, race, creed, color, national origin, <u>lawful source of income</u>, families with children status, honorably discharged veteran or military 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:
  - (a) To refuse to engage in a real estate transaction with a person;
- (b) To discriminate against a person in the terms, conditions, or privileges of a real estate transaction or in the furnishing of facilities or services in connection therewith;
- 14 (c) To refuse to receive or to fail to transmit a bona fide offer 15 to engage in a real estate transaction from a person;
- 16 (d) To refuse to negotiate for a real estate transaction with a 17 person;
  - (e) To represent to a person that real property is not available for inspection, sale, rental, or lease when in fact it is so available, or to fail to bring a property listing to his or her attention, or to refuse to permit the person to inspect real property;
  - (f) To discriminate in the sale or rental, or to otherwise make unavailable or deny a dwelling, to any person; or to a person residing in or intending to reside in that dwelling after it is sold, rented, or made available; or to any person associated with the person buying or renting;
  - (g) To make, print, circulate, post, or mail, or cause to be so made or published a statement, advertisement, or sign, or to use a form of application for a real estate transaction, or to make a record or inquiry in connection with a prospective real estate transaction, which indicates, directly or indirectly, an intent to make a limitation, specification, or discrimination with respect thereto;
  - (h) To offer, solicit, accept, use, or retain a listing of real property with the understanding that a person may be discriminated against in a real estate transaction or in the furnishing of facilities or services in connection therewith;
    - (i) To expel a person from occupancy of real property;

(j) To discriminate in the course of negotiating, executing, or financing a real estate transaction whether by mortgage, deed of trust, contract, or other instrument imposing a lien or other security in real property, or in negotiating or executing any item or service related thereto including issuance of title insurance, mortgage insurance, loan guarantee, or other aspect of the transaction. Nothing in this section shall limit the effect of RCW 49.60.176 relating to unfair practices in credit transactions; or

- (k) To attempt to do any of the unfair practices defined in this section.
- (2) For the purposes of this chapter discrimination based on the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person who is blind, deaf, or physically disabled includes:
- (a) A refusal to permit, at the expense of the person with a disability, reasonable modifications of existing premises occupied or to be occupied by such person if such modifications may be necessary to afford such person full enjoyment of the dwelling, except that, in the case of a rental, the landlord may, where it is reasonable to do so, condition permission for a modification on the renter agreeing to restore the interior of the dwelling to the condition that existed before the modification, reasonable wear and tear excepted;
- (b) To refuse to make reasonable accommodation in rules, policies, practices, or services when such accommodations may be necessary to afford a person with the presence of any sensory, mental, or physical disability and/or the use of a trained dog guide or service animal by a person who is blind, deaf, or physically disabled equal opportunity to use and enjoy a dwelling; or
- (c) To fail to design and construct covered multifamily dwellings and premises in conformance with the federal fair housing amendments act of 1988 (42 U.S.C. Sec. 3601 et seq.) and all other applicable laws or regulations pertaining to access by persons with any sensory, mental, or physical disability or use of a trained dog guide or service animal. Whenever the requirements of applicable laws or regulations differ, the requirements which require greater accessibility for persons with any sensory, mental, or physical disability shall govern.
- Nothing in (a) or (b) of this subsection shall apply to: (i) A single-family house rented or leased by the owner if the owner does not

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own or have an interest in the proceeds of the rental or lease of more than three such single-family houses at one time, the rental or lease occurred without the use of a real estate broker or salesperson, as defined in RCW ((18.85.010)) 18.85.011, and the rental or lease occurred without the publication, posting, or mailing of any advertisement, sign, or statement in violation of subsection (1)(g) of this section; or (ii) rooms or units in dwellings containing living quarters occupied or intended to be occupied by no more than four families living independently of each other if the owner maintains and occupies one of the rooms or units as his or her residence.

- (3) Notwithstanding any other provision of this chapter, it shall not be an unfair practice or a denial of civil rights for any public or private educational institution to separate the sexes or give preference to or limit use of dormitories, residence halls, or other student housing to persons of one sex or to make distinctions on the basis of marital or families with children status.
- (4) Except pursuant to subsection (2)(a) of this section, this section shall not be construed to require structural changes, modifications, or additions to make facilities accessible to a person with a disability except as otherwise required by law. Nothing in this section affects the rights, responsibilities, and remedies of landlords and tenants pursuant to chapter 59.18 or 59.20 RCW, including the right to post and enforce reasonable rules of conduct and safety for all tenants and their guests, provided that chapters 59.18 and 59.20 RCW are only affected to the extent they are inconsistent with the nondiscrimination requirements of this chapter. Nothing in this section limits the applicability of any reasonable federal, state, or local restrictions regarding the maximum number of occupants permitted to occupy a dwelling.
- (5) Notwithstanding any other provision of this chapter, it shall not be an unfair practice for any public establishment providing for accommodations offered for the full enjoyment of transient guests as defined by RCW 9.91.010(1)(c) to make distinctions on the basis of families with children status. Nothing in this section shall limit the effect of RCW 49.60.215 relating to unfair practices in places of public accommodation.
- 37 (6) Nothing in this chapter prohibiting discrimination based on 38 families with children status applies to housing for older persons as

- defined by the federal fair housing amendments act of 1988, 42 U.S.C. Sec. 3607(b)(1) through (3), as amended by the housing for older persons act of 1995, P.L. 104-76, as enacted on December 28, 1995.

  Nothing in this chapter authorizes requirements for housing for older
- 5 persons different than the requirements in the federal fair housing
- 6 amendments act of 1988, 42 U.S.C. Sec. 3607(b)(1) through (3), as
- amended by the housing for older persons act of 1995, P.L. 104-76, as enacted on December 28, 1995.

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- (7) Nothing in this chapter shall apply to real estate transactions involving the sharing of a dwelling unit, or rental or sublease of a portion of a dwelling unit, when the dwelling unit is to be occupied by the owner or subleasor. For purposes of this section, "dwelling unit" has the same meaning as in RCW 59.18.030.
- 14 **Sec. 4.** RCW 49.60.223 and 2007 c 187 s 14 are each amended to read 15 as follows:
- 16 It is an unfair practice for any person, for profit, to induce or 17 attempt to induce any person to sell or rent any real property by representations regarding the entry or prospective entry into the 18 neighborhood of a person or persons of a particular race, creed, color, 19 20 sex, national origin, <u>lawful source of income</u>, sexual orientation, 21 families with children status, honorably discharged veteran or military status, or with any sensory, mental, or physical disability and/or the 22 23 use of a trained dog guide or service animal by a person who is blind, 24 deaf, or physically disabled.
- 25 **Sec. 5.** RCW 49.60.224 and 2007 c 187 s 15 are each amended to read 26 as follows:
  - (1) Every provision in a written instrument relating to real property which purports to forbid or restrict the conveyance, encumbrance, occupancy, or lease thereof to individuals of a specified race, creed, color, sex, national origin, <u>lawful source of income</u>, sexual orientation, families with children status, honorably discharged veteran or military status, or with any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person who is blind, deaf, or physically disabled, and every condition, restriction, or prohibition, including a right of entry or possibility of reverter, which directly or indirectly limits the use or occupancy

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of real property on the basis of race, creed, color, sex, national origin, <u>lawful source of income</u>, sexual orientation, families with children status, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person who is blind, deaf, or physically disabled is void.

- (2) It is an unfair practice to insert in a written instrument relating to real property a provision that is void under this section or to honor or attempt to honor such a provision in the chain of title.
- **Sec. 6.** RCW 49.60.225 and 2007 c 187 s 16 are each amended to read 11 as follows:
  - (1) When a reasonable cause determination has been made under RCW 49.60.240 that an unfair practice in a real estate transaction has been committed and a finding has been made that the respondent has engaged in any unfair practice under RCW 49.60.250, the administrative law judge shall promptly issue an order for such relief suffered by the aggrieved person as may be appropriate, which may include actual damages as provided by the federal fair housing amendments act of 1988 (42 U.S.C. Sec. 3601 et seq.), and injunctive or other equitable relief. Such order may, to further the public interest, assess a civil penalty against the respondent:
  - (a) In an amount up to ten thousand dollars if the respondent has not been determined to have committed any prior unfair practice in a real estate transaction;
  - (b) In an amount up to twenty-five thousand dollars if the respondent has been determined to have committed one other unfair practice in a real estate transaction during the five-year period ending on the date of the filing of this charge; or
  - (c) In an amount up to fifty thousand dollars if the respondent has been determined to have committed two or more unfair practices in a real estate transaction during the seven-year period ending on the date of the filing of this charge, for loss of the right secured by RCW 49.60.010, 49.60.030, 49.60.040, and 49.60.222 through 49.60.224, as now or hereafter amended, to be free from discrimination in real property transactions because of sex, marital status, race, creed, color, national origin, <u>lawful source of income</u>, sexual orientation, families with children status, honorably discharged veteran or military

status, or the presence of any sensory, mental, or physical disability 1 or the use of a trained dog guide or service animal by a person who is 2 blind, deaf, or physically disabled. Enforcement of the order and 3 appeal therefrom by the complainant or respondent may be made as 4 provided in RCW 49.60.260 and 49.60.270. If acts constituting the 5 unfair practice in a real estate transaction that is the object of the 6 charge are determined to have been committed by the same natural person 7 8 who has been previously determined to have committed acts constituting an unfair practice in a real estate transaction, then the civil penalty 9 10 of up to fifty thousand dollars may be imposed without regard to the period of time within which any subsequent unfair practice in a real 11 12 estate transaction occurred. All civil penalties assessed under this 13 section shall be paid into the state treasury and credited to the 14 general fund.

(2) Such order shall not affect any contract, sale, conveyance, encumbrance, or lease consummated before the issuance of an order that involves a bona fide purchaser, encumbrancer, or tenant who does not have actual notice of the charge filed under this chapter.

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- (3) Notwithstanding any other provision of this chapter, persons awarded damages under this section may not receive additional damages pursuant to RCW 49.60.250.
- <u>NEW SECTION.</u> **Sec. 7.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

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