

STAND. COM. REP. NO.

691

Honolulu, Hawaii

MAR 01 2007

RE: S.B. No. 1116  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and  
Affordable Housing, to which was referred S.B. No. 1116 entitled:

"A BILL FOR AN ACT RELATING TO RENTAL APPLICATION FEES,"

begs leave to report as follows:

The purpose of this measure is to regulate the imposition of  
rental application fees by landlords.

Specifically, this measure requires landlords to inform  
prospective tenants of their right to dispute inaccurate tenant  
screening report information.

Your Committee received testimony in support of this measure  
from Legal Aid Society of Hawaii and one individual. The Hawaii  
Association of Realtors submitted testimony in opposition to this  
measure.

Your Committee finds that landlords frequently charge  
prospective tenants for the opportunity to apply for rental  
housing units. These fees are frequently not returned to  
unsuccessful applicants, which is a serious detriment to many low-  
income renters. Also, many tenants are unaware of their rights  
under the federal fair reporting laws that allow applicants to  
dispute inaccurate information in their credit reports. The  
intent of this measure is to require landlords to inform tenants  
of their right to dispute inaccurate credit information that may  
negatively impact their ability to be offered a rental unit.



Your Committee has amended this measure, upon the recommendation of the Legal Aid Society of Hawaii, by:

- (1) Specifying that the requirements of this measure shall not apply to landlords who rent three or less units;
- (2) Specifying that when the application fee is not refunded to the applicant, the landlord must provide a written explanation in sufficient detail explaining the reasons an applicant did not receive the unit; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1116, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1116, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce, Consumer  
Protection, and Affordable  
Housing,

  
\_\_\_\_\_  
BRIAN T. TANIGUCHI, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Commerce, Consumer Protection and Affordable Housing**  
**CPH**

Bill / Resolution No.:* <b>SB 1116</b>	Committee Referral: <b>CPH</b>	Date: <b>2/13/2007</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will	✓			
IHARA, Jr., Les				✓
SAKAMOTO, Norman	✓			
SLOM, Sam			✓	
<b>TOTAL</b>	<b>4</b>		<b>1</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">David Y. Ige</div>				
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\*Only one measure per Record of Votes