

STAND. COM. REP. NO. 1371

Honolulu, Hawaii

March 23, 2007

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

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committee on Human Services & Housing, to which was referred S.B. No. 1116, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to protect renters by regulating application fees for rental units and requiring landlords to inform prospective tenants of the reason the unit was not offered to them. These provisions apply only to landlords that rent four or more dwelling units.

The Legal Aid Society of Hawaii and a concerned individual testified in support of this bill. The National Association of Residential Property Managers and Hawaii Association of REALTORS opposed this measure.

Your Committee recognizes that application fees for rental units can be detrimental to lower income individuals, particularly if these individuals pay a fee for applying for several rental units. Additionally, a few unscrupulous landlords may take advantage of prospective tenants if these fees are not regulated.

SB1116 HD1 HSCR HSH HMS 2007-3248



However, your Committee notes the concerns of the opponents of this measure that there are laws and enforcement agencies that provide some protection and that tenants must also share the responsibility of maintaining their finances, as well as reporting deceptive practices to the proper authorities.

Your Committee has amended this bill by:

- (1) Reducing from six months to three months, the period in which a landlord may not charge an application fee more than once to a prospective tenant;
- (2) Specifying that excess application fee charges by a landlord be returned within ten days of rejection of the rental application;
- (3) Allowing a copy of the tenant screening report or credit report to fulfill the notice requirement for landlords when an applicant is rejected because of adverse information;
- (4) Providing that landlords who violate the provisions in this measure are liable to the applicant for the application fee and a civil penalty of up to \$100; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1116, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1116, S.D. 1, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Respectfully submitted on  
behalf of the members of the  
Committee on Human Services &  
Housing,



MAILE SHIMABUKURO, Chair



State of Hawaii  
House of Representatives  
The Twenty-fourth Legislature

**Record of Votes of the Committee on Human Services & Housing**

Bill/Resolution No.: <b>SB 1116 SD1</b>		Date: <b>March 12, 2007</b>		
Committee Referral: <b>HSH, CPC/JUD</b>		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to: <input type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Pass, with amendments, for recommittal for further consideration				
<b>HSH Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
<b>1. SHIMABUKURO, Maile S. L. (C)</b>	✓			
<b>2. RHOADS, Karl (VC)</b>	✓			
<b>3. BELATTI, Della Au</b>	✓			
<b>4. BERTRAM, Joe, III</b>	✓			
<b>5. CABANILLA, Rida T.R.</b>				✓
<b>6. GREEN, Josh, M.D.</b>		✓		
<b>7. MIZUNO, John</b>				✓
<b>8. TAKAI, K. Mark</b>		✓		
<b>9. TOKIOKA, James Kunane</b>		✓		
<b>10. AWANA, Karen Leinani</b>		✓		
<b>11. WARD, Gene, Ph.D.</b>		✓		
<b>TOTAL</b>	<b>4</b>	<b>5</b>		<b>2</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. committee acronym(s)				
<i>Karl Rhoads</i>				
Vice Chair's or designee's signature:				
Distribution:      Original (White) – Committee      Duplicate (Yellow) – Clerk's Office				