

Honolulu, Hawaii

FEB 08, 2022

RE: H.B. No. 2139
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2139 entitled:

"A BILL FOR AN ACT RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE,"

begs leave to report as follows:

The purpose of this measure is to help remove barriers in securing affordable housing by:

- (1) Regulating how application screening fees are charged when processing applications to rent residential property; and
- (2) Requiring landlords or landlord agents to provide tenants a receipt for payment and refund any unused amount of an application screening fee to applicants.

Your Committee received testimony in support of this measure from the Governor's Coordinator on Homelessness, Department of Commerce and Consumer Affairs, Department of Human Services, Hawaii State Council on Developmental Disabilities, Hawai'i Health & Harm Reduction Center, HOPE Services Hawai'i, and one individual. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS. Your Committee received



comments on this measure from EAH Housing and Catholic Charities Hawai'i.

Your Committee finds that there are numerous barriers to accessing affordable housing for low-income households and people experiencing homelessness. Your Committee recognizes that there are costs associated with screening prospective tenants, including application screening fees for personal reference checks and credit reports; however, the costs of application screening fees vary and can exceed the actual cost of screening. Furthermore, the costs of multiple application screening fees for prospective tenants can result in significant economic hardship, especially in a tight housing market. Addressing the assessment of application screening fees is one way to address impediments to securing affordable rental housing in the State.

Your Committee has amended this measure by:

- (1) Deleting language that would have capped the amount that could be charged for an application screening fee and limited the number of fees that could be charged per application and for each member of a household;
- (2) Deleting the requirement that, upon written request by the applicant, the landlord or the landlord's agent must provide the applicant with a copy of any report obtained by the landlord or the landlord's agent;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2139, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on
behalf of the members of the
Committee on Housing,


NADINE K. NAKAMURA, Chair



