

STAND. COM. REP. NO. 2270

Honolulu, Hawaii

FEB 14 2022

RE: S.B. No. 2877

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2877 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Allow a landlord or landlord's agent to charge an application screening fee at the time a rental application is processed for residential property;
- (2) Cap the amount of an application screening fee at \$25 and prohibit fees to be charged for each member of a household;
- (3) Require the landlord or landlord's agent to provide a receipt for payment of the application screening fee and copy of any report obtained, if requested by the applicant, and within ten days of the applicant's request; and
- (4) Require the landlord or landlord's agent to return any unauthorized fee amounts to the applicant.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Governor's

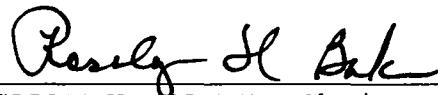


Coordinator on Homelessness, Partners in Care Oahu, Catholic Charities Hawai'i, and Hawai'i Health & Harm Reduction Center. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS.

Your Committee finds that existing law does not specifically regulate the nature and amount of application fees that landlords may charge to prospective tenants. Often, the application fees do not correlate with the costs of background and credit checks. Many complaints received from prospective tenants have alleged that they are asked to pay \$100 for an application screening that actually costs \$10 to \$25, or are not refunded the amounts paid if no screening was actually conducted or their application was not processed or considered. In light of Hawaii's tight housing market, this measure is necessary to help reduce abusive practices and eliminate barriers to accessing rental housing.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2877 and recommends that it pass Second Reading and be referred to your Committee on Judiciary.

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



ROSALYN H. BAKER, Chair



