

STAND. COM. REP. NO. 2848

Honolulu, Hawaii

MAR - 4 2022

RE: S.B. No. 3107
S.D. 2

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. 3107, S.D. 1, 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, when processing an application to rent residential property, to charge an application screening fee up to a maximum of \$25 for the cost of requesting a tenant report or credit report for a potential tenant; and
- (2) Require landlords to refund any unused amount of the application screening fee and, upon request, provide a receipt of the fee and a copy of any report obtained via the screening process to the applicant.

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Commerce and Consumer Affairs, State Council on Developmental Disabilities, Governor's Coordinator on Homelessness, Partners in Care, Institute for Human Services, Catholic Charities Hawai'i, HOPE Services Hawai'i, and one individual. Your Committee received



testimony in opposition to this measure from the Hawai'i Association of REALTORS and one individual.

Your Committee finds that existing law does not specifically regulate the nature and amount of application fees that landlords may charge prospective tenants. Additionally, it is not uncommon for landlords to charge application fees that do not correlate with the actual costs to obtain background and credit checks. For certain low-income individuals or those with multigenerational households, application costs can create a significant barrier to obtaining affordable housing, with no guarantee that they will be accepted. This measure therefore provides a balance between tenants and landlords in the application process.

Your Committee has amended this measure by:

- (1) Clarifying that a landlord may charge an application fee at the time that an application is processed; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 3107, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3107, S.D. 2.

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

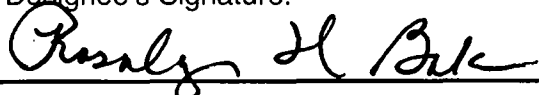


ROSALYN H. BAKER, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 3107, SD 1	HOU. CPN	03-01-2022		
<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
BAKER, Rosalyn H. (C)	✓			
CHANG, Stanley (VC)	✓			
DECOITE, Lynn	✓			
NISHIHARA, Clarence K.				✓
RIVIERE, Gil				✓
SAN BUENAVENTURA, Joy A.	✓			
FEVELLA, Kurt	✓			
TOTAL	5	-	-	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes