

STAND. COM. REP. NO.

1882

Honolulu, Hawaii

APR 03 , 2023

RE: S.B. No. 930
S.D. 1
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 930, S.D. 1, H.D. 1, 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 regulate the practice of application screening fees under the Residential Landlord-Tenant Code by:

- (1) Specifying that a landlord may only charge an application screening fee for an applicant eighteen years of age or older and whose income is being used to meet financial qualifications for the rental application process;
- (2) Requiring, upon request by an applicant, the landlord or the landlord's agent to provide a receipt of payment and a breakdown of the costs associated with the application screening fee;
- (3) Requiring the landlord or landlord's agent to return any amount of the application screening fee not used within

2023-2992 SB930 HD2 HSCR HMSO



thirty days after the landlord has submitted screening requests; and

- (4) Requiring the Office of Consumer Protection of the Department of Commerce and Consumer Affairs to provide landlords with notice of these new obligations and publicize the new application screening fee requirements.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and Catholic Charities Hawai'i. Your Committee received comments on this measure from the Hawai'i Association of REALTORS.

Your Committee finds that rental application fees can be a barrier to individuals and families when trying to find housing. There is significant competition for rental units in the State, with landlords often receiving multiple applications per unit. Individuals and families must often apply to as many open rentals as possible, which can result in hundreds of dollars spent merely applying for a rental unit. Your Committee further finds that existing law does not specifically regulate the nature and amount of application fees that landlords may charge prospective tenants. This measure would help prevent landlords from taking unfair advantage of prospective tenants, while still enabling landlords and their agents to complete reference checks, tenant reports, and credit reports on applicants.

Your Committee has amended this measure by:

- (1) Deleting language that specified an application screening fee could only be charged for an applicant whose income is being used to meet financial qualifications for the rental application process;
- (2) Specifying that an application screening fee may be charged for an applicant who is an emancipated minor;
- (3) Including criminal background checks as part of the information into which a landlord or landlord's agent may inquire;
- (4) Deleting language that required, upon request by an applicant, the landlord or the landlord's agent to

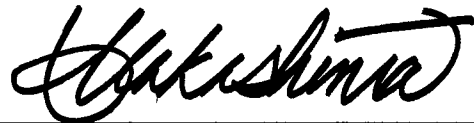


provide a receipt of payment and a breakdown of the costs associated with the application screening fee; and

- (5) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 930, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 930, S.D. 1, H.D. 2.

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



MARK M. NAKASHIMA, Chair



HSCR 1882

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 930 SDI HDI	Committee Referral: HSG, CPC	Date: 03-28-23		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	/			
2. SAYAMA, Jackson D. (VC)	/			
3. AMATO, Terez	/			
4. BELATTI, Della Au	/			
5. HASHEM, Mark J.	/			
6. HUSSEY-BURDICK, Natalia	/			
7. GATES, Cedric Asuega	/			
8. LOWEN, Nicole E.				/
9. ONISHI, Richard H.K.				/
10. TAM, Adrian K.	/			
11. PIERICK, Elijah	/			
TOTAL (11)	9			2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				