

STAND. COM. REP. NO.

437

Honolulu, Hawaii

, 2023

FEB 15

RE: H.B. No. 644

H.D. 1

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

Sir:

Your Committee on Housing, to which was referred H.B. No. 644
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:

- (1) Allow a landlord or their agent to charge an application screening fee at the time a rental application is processed for residential property;
- (2) Cap the amount of the application screening fee at \$25 and prohibit charging fees for each member of a household;
- (3) Require the landlord or their agent to provide a receipt for payment of the application screening fee, if requested; and
- (4) Require the landlord or their 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, Partners In

2023-1589 HB644 HD1 HSCR HMSO



Care, and Legal Aid Society of Hawai'i. Your Committee received comments on this measure from the Hawai'i Association of REALTORS and Affordable Housing Connections LLC, dba AHC Hawaii.

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) Providing that a landlord or their agent shall only charge an application screening fee for an applicant who is eighteen years old or older and whose income is being used to meet financial qualifications for the rental application process;
- (2) Deleting language that would have:
 - (A) Established a cap of \$25 for the application screening fee;
 - (B) Authorized a landlord or their agent to charge only one application screening fee per application;
 - (C) Prohibited a landlord or their agent from charging an application screening for each member of a household; and
 - (D) Required a landlord or their agent to provide to an applicant, upon request, a copy of any report obtained by the landlord or their agent within ten days of the applicant's request;



- (3) Requiring a landlord or their agent to provide to an applicant, upon request, a breakdown of costs covered by the application screening fee;
- (4) Requiring, beginning on May 1, 2024, the Office of Consumer Protection of the Department of Commerce and Consumer Affairs to produce and make available informational materials to provide landlords and applicants with notice regarding the specific rights and obligations established under this measure and to publicize the requirements for the application screening fees under this measure;
- (5) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (6) 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. 644, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 644, 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,



TROY N. HASHIMOTO, Chair



State of Hawaii
House of Representatives
The Thirty-second Legislature

HSCR 437

Record of Votes of the Committee on Housing

Bill/Resolution No.: HB 644	Committee Referral: HSG, CPC	Date: 2/10/23		
<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)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. HASHIMOTO, Troy N. (C)	✓			
2. AIU, Micah P.K. (VC)	✓			
3. KILA, Darius K.	✓			
4. KITAGAWA, Lisa	✓			
5. MARTEN, Lisa	✓			
6. ONISHI, Richard H.K.				✓
7. TODD, Chris	✓			
8. MATSUMOTO, Lauren	✓			
TOTAL (8)	7			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				