

JAN 17 2024

A BILL FOR AN ACT

RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that there are numerous
2 barriers to accessing affordable housing for low-income
3 households and people experiencing homelessness. There is
4 significant competition for rental units in the State, with
5 landlords often receiving multiple applications per unit.
6 Individuals and families must often apply to as many open
7 rentals as possible, which can cost hundreds of dollars. While
8 the legislature recognizes that landlords and their agents need
9 to collect application fees in order to vet all applicants, the
10 legislature believes that the costs of multiple applications for
11 prospective tenants can result in significant economic hardship,
12 especially in a tight housing market.

13 The legislature further finds that to help individuals and
14 families seeking rental housing in the State, the legislature
15 enacted Act 200, Session Laws of Hawaii 2023, which authorizes
16 an application screening fee for rental applications to ensure
17 that costs associated with vetting an application are used only



1 for that purpose and any remaining fees are returned to the
2 applicant. However, an applicant will still be required to
3 submit multiple application fees to landlords or their agents
4 who are using those fees to obtain similar information.

5 Allowing an applicant to receive a certified copy of certain
6 information to provide to another landlord or the landlord's
7 agent will further reduce the financial burden of applying for
8 rental units and reduce the work of landlords and their agents
9 to obtain certain information.

10 Accordingly, the purpose of this Act is to allow an
11 applicant to request a certified copy of the applicant's
12 criminal background check and credit report from one landlord or
13 the landlord's agent to provide to another landlord or that
14 landlord's agent in lieu of paying a fee to cover the costs of
15 obtaining another criminal background check or credit report.

16 SECTION 2. Section 521-46, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "[+]§521-46[+] **Application screening fee.** (a) When a
19 landlord or the landlord's agent receives a request from an
20 applicant to rent a dwelling unit, the landlord or the
21 landlord's agent may charge the applicant an application



1 screening fee at the time the application is processed for the
2 dwelling unit to cover the costs of obtaining information about
3 the applicant; provided that [a]:

4 (1) A landlord or the landlord's agent shall only charge
5 an application screening fee for an applicant who is
6 eighteen years of age or older or an emancipated
7 minor[-]; and

8 (2) If an applicant provides a landlord or the landlord's
9 agent with a certified copy of the applicant's
10 criminal background check or credit report received
11 within thirty days from another landlord or that
12 landlord's agent, the landlord or the landlord's agent
13 shall not charge an application fee to cover the costs
14 of obtaining another criminal background check or
15 credit report.

16 Information sought by the landlord or the landlord's agent
17 charging the fee may include personal reference checks, tenant
18 reports, criminal background checks, and credit reports produced
19 by any consumer credit reporting agency.

20 (b) Upon request by the applicant, a landlord or the
21 landlord's agent shall provide to the applicant a:



1 (1) Receipt for payment of the application screening fee;

2 [~~and~~]

3 (2) Breakdown of costs covered by the application

4 screening fee~~[=]~~; and

5 (3) Certified copy of the applicant's criminal background

6 checks and credit reports that are less than thirty

7 days old.

8 (c) A landlord or the landlord's agent shall return to the

9 applicant any amount of the application screening fee that is

10 not used for the purposes authorized by this section within

11 thirty days after the landlord has submitted screening requests.

12 (d) If a person is found to have altered or manipulated a

13 criminal background check or credit report, that person shall be

14 subject to a penalty as determined by the department of commerce

15 and consumer affairs.

16 [~~d~~] (e) For the purposes of this section:

17 "Consumer credit reporting agency" has the same meaning as

18 in section 489P-2.

19 "Credit report" has the same meaning as in section 489P-2."



S.B. NO. 2127

1 SECTION 3. The department of commerce and consumer affairs
2 shall adopt rules pursuant to chapter 91, Hawaii Revised
3 Statutes, to establish:

4 (1) A certification process for a landlord or the
5 landlord's agent to certify copies of criminal
6 background checks and credit reports produced by any
7 consumer credit reporting agency; and


8 (2) Penalties for a person who is found to have altered or
9 manipulated a criminal background check or credit
10 report.

11 SECTION 4. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 5. This Act shall take effect upon its approval.

14

INTRODUCED BY:





S.B. NO. 2127

Report Title:

Rental Application Screening Fee; Criminal Background Check;
Credit Report; Certified Copies

Description:

Prohibits a landlord or the landlord's agent from charging an application fee for a criminal background check or credit report if an applicant provides a certified copy of a criminal background check or credit report. Requires a landlord or the landlord's agent to provide, upon request, a certified copy of an applicant's criminal background check or credit report.

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