
A BILL FOR AN ACT

RELATING TO RENTAL APPLICATION FEES.

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

1 SECTION 1. The legislature finds that landlords have been
2 charging prospective tenants for the opportunity to apply for
3 housing units. These fees are frequently not returned to
4 unsuccessful housing applicants and is a serious detriment to
5 low-income housing applicants who must also contend with the
6 costs of security deposits and higher rental rates.

7 The legislature also finds that accurate information on
8 tenant applications may make the difference between finding and
9 not finding a rental unit, especially for tenants who are
10 unaware of their rights under federal fair credit reporting laws
11 that allow tenants to dispute inaccurate information.

12 The purpose of this Act is to regulate the imposition of
13 tenant application fees by landlords and to require landlords to
14 inform prospective tenants of their right to dispute inaccurate
15 tenant application information.

16 SECTION 2. Chapter 521-8, Hawaii Revised Statutes, is
17 amended by adding two new definitions to be appropriately
18 inserted and to read as follows:



1 "Application fee" means a fee or deposit charged by a
2 landlord to a prospective tenant to apply for a dwelling unit.
3 The application fee includes, as provided in this chapter, a fee
4 charged to conduct a background check or a credit check on a
5 prospective tenant.

6 "Screening service" means a service hired by a landlord
7 that verifies the information provided in a prospective tenant's
8 application for a dwelling unit."

9 SECTION 3. Chapter 521, Hawaii Revised Statutes, is
10 amended by adding a new section to be appropriately designated
11 and to read as follows:

12 "§521- **Application fees.** (a) A landlord shall not
13 charge an application fee when the landlord knows or should have
14 known that a dwelling unit is not available or will not become
15 available within a reasonable period of time.

16 (b) A landlord shall not charge an application fee more
17 than once to a prospective tenant within a six month period.

18 (c) An application fee may be charged by a landlord if
19 written notice is given to a prospective tenant that includes:

20 (1) A reasonable explanation of the landlord's procedure
21 for screening prospective tenant applicants;



1 (2) A tenant's right to dispute the accuracy of
2 information provided by a tenant screening service or
3 any other information provided in response to
4 inquiries regarding a tenant's application; and

5 (3) If applicable, the name and address of the tenant
6 screening service hired by the landlord.

7 (d) An application fee shall not exceed:

8 (1) The actual cost of hiring a tenant screening service;
9 or

10 (2) If a landlord conducts a personal reference check on a
11 tenant the lesser of:

12 (A) Charges for similar services in the area the
13 dwelling unit is situated; or

14 (B) The actual costs for long distance phone calls
15 and reasonable costs for time spent verifying
16 information contained in a prospective tenant's
17 application.

18 (e) Any charges made by a landlord that is in excess of
19 the application fee charges allowed under this section shall be
20 returned to the prospective tenant within days; provided
21 that if applicable, refunds may be:

22 (1) Returned to the applicant by mail;



Report Title:

Landlord Tenant; Rental Application Fee

Description:

Regulates the imposition of rental application fees by landlords.

