

Honolulu, Hawaii

MAR 03 2023

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

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 930 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 or landlord's agent to charge an application screening fee at the time a rental application is processed for residential property;
- (2) Cap the amount of an application screening fee at \$25 and prohibit fees to be charged for each member of a household;
- (3) Require the landlord or landlord's agent to provide a receipt for payment of the application screening fee and copy of any report obtained, if requested by the applicant, and within ten days of the applicant's request; and
- (4) Require the landlord or landlord's 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. Your Committee received comments on this measure from the Hawai'i Association of REALTORS.

Your Committee finds that existing law does not regulate the nature and amount of application fees that a landlord may charge prospective tenants. The absence of an application fee cap has led to abuses by landlords, who charge an applicant more than the cost of an application screening fee. This is particularly egregious where landlords or their agents receive many applications for one rental unit, most of which are not seriously considered. Accordingly, this measure will deter this conduct by directly addressing this inequity.

Your Committee acknowledges the concerns raised in testimony that the \$25 application fee cap is not sufficient to cover the cost of a screening report, and that the provision limiting an application to one member of a household could be in violation of fair housing laws, which require equal treatment for all applicants, including within the same household.

Therefore, your Committee has amended this measure by:

- (1) Deleting the \$25 application screening fee cap and inserting a blank amount;
- (2) Deleting language that would have limited a landlord or their agent to charge only one application screening fee per application and prohibited charging an application screening fee for each member of a household;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) 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. 930, as amended herein, and recommends that it



pass Second Reading in the form attached hereto as S.B. No. 930, S.D. 1, and be placed on the calendar for Third Reading.

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



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JARRETT KEOHOKALOLE, Chair



