

STAND. COM. REP. NO.

1398

Honolulu, Hawaii

MAR 21, 2023

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

- (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;
- (3) Require the landlord or their agent to provide a receipt for payment of the application screening fee and a copy of any report obtained, 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 and Legal Aid Society of Hawai'i. Your Committee received testimony in

2023-2720 SB930 HD1 HSCR HMSO



opposition to this measure from Hawaii Dream Reality LLC. Your Committee received comments on this measure from the Hawai'i Association of REALTORS and one individual.

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 further finds that the companion to this measure, H.B. No. 644, H.D. 1 (Regular Session of 2023), was previously passed by your Committee.

Your Committee has amended this measure by deleting its contents and inserting the contents of H.B. No. 644, H.D. 1, a measure that:

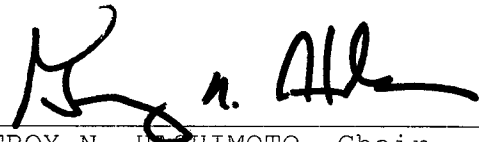
- (1) Allows a landlord or landlord's agent to charge an application screening fee at the time a rental application is processed for residential property for applicants eighteen years of age or older whose income is being used to meet financial qualifications;
- (2) Requires the landlord or landlord's agent to provide a receipt for payment of the application screening fee and a breakdown of costs covered by the fee;
- (3) Requires the landlord or landlord's agent to return any unauthorized fee amounts to the applicant;
- (4) Requires, beginning May 1, 2024, that the Office of Consumer Protection produce and make available informational materials and publicize requirements regarding application fees and related rights and obligations; and



(5) Contains an effective date of June 30, 3000.

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 S.B. No. 930, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 930, S.D. 1, 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



HSCR 1578

Record of Votes of the Committee on Housing

Bill/Resolution No.: <i>SB 930, SD1</i>	Committee Referral: <i>HSG, CPC</i>	Date: <i>3/17/23</i>		
<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. EVSLIN, Luke A.	✓			
4. KILA, Darius K.				✓
5. KITAGAWA, Lisa	✓			
6. MARTEN, Lisa	✓			
7. ONISHI, Richard H.K.	✓			
8. TODD, Chris	✓			
9. MATSUMOTO, Lauren	✓			
TOTAL (9)	8			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small style="margin-left: 150px;">committee acronym(s)</small>				
Vice Chair's or designee's signature: <i>[Signature]</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				