

STAND. COM. REP. NO.

2726

Honolulu, Hawaii

FEB 16 2024

RE: S.B. No. 2127  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2127 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) Prohibit 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; and
- (2) Require a landlord or the landlord's agent to provide, upon request, a certified copy of an applicant's criminal background check or credit report.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs' Office of Consumer Protection and one individual.

Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS.



Your Committee finds that the strong competition for rental units, caused by the limited housing supply in the State, has required many individuals and families to apply to as many available rentals as possible. This process can cost hundreds of dollars for rental unit seekers in application fees. While your Committee recognizes that landlords and their agents need to collect application fees in order to screen all applicants, the costs of multiple applications for prospective tenants can result in significant economic hardship. Therefore, this measure provides relief to prospective tenants that apply for multiple rental openings by allowing them to obtain and use a certified copy of a recent criminal background check or credit report for all applications, eliminating duplicative and unnecessary charges.

Your Committee has amended this measure by:

- (1) Inserting language that prohibits landlords and their agents from charging rental applicants an applicant's fee if the applicant makes available certain comprehensive reusable tenant screening reports;
- (2) Deleting language that would have required the Department of Commerce and Consumer Affairs to certify criminal background checks or credit reports and determine penalties for tampering with the background checks or reports and adopt administrative rules accordingly;
- (3) Inserting an effective date of July 1, 2040, 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. 2127, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2127, S.D. 1, and be referred to your Committee on Judiciary.



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



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JARRETT KEOHOKALOLE, Chair

