S.B. NO. <sup>1662</sup> S.D. 1

## 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 households and people experiencing homelessness. There is 3 4 significant competition for rental units in the State, with landlords often receiving multiple applications per unit. 5 Individuals and families must often apply to as many open 6 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 authorized 16 application screening fees for rental applications and required 17 costs associated with vetting an application to be used only for

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1 that purpose and to return to the applicant any remaining fees. 2 However, an applicant may still be required to submit multiple 3 application fees to landlords or their agents who are using 4 those fees to obtain similar information. Allowing an applicant 5 to receive a certified copy of certain information to provide to 6 another landlord or the landlord's agent will further reduce the 7 financial burden of applying for rental units and reduce the 8 work of landlords and their agents to obtain certain 9 information.

10 The legislature additionally finds that certain tenant 11 screening companies already allow tenants to share their reports 12 with as many landlords as they choose for thirty days at no 13 additional cost. Requiring landlords and their agents to accept 14 these reports would reduce the cost to the applicants. 15 Companies that offer these reusable tenant screening reports 16 securely transmit reports to landlords upon the applicant's 17 request, protecting sensitive data, ensuring privacy for the 18 applicant, and agreeing to bear the risk of failure to do so. 19 Accordingly, the purpose of this Act is to: (1) Prohibit a landlord or the landlord's agent from 20 21 charging an application fee for a criminal background

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1 check or credit report if an applicant provides a 2 certified copy of a criminal background check or 3 credit report; (2) Prohibit a landlord or the landlord's agent from 4 5 charging an application fee if a comprehensive 6 reusable tenant screening report is available; and (3) Require a landlord or the landlord's agent to provide, 7 8 upon request, a certified copy of an applicant's 9 criminal background check or credit report. 10 SECTION 2. Section 521-46, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows: 11 12 "(a) When a landlord or the landlord's agent receives a 13 request from an applicant to rent a dwelling unit, the landlord 14 or the landlord's agent may charge the applicant an application 15 screening fee at the time the application is processed for the 16 dwelling unit to cover the costs of obtaining information about 17 the applicant; provided that [a]: 18 (1) A landlord or the landlord's agent shall only charge 19 an application screening fee for an applicant who is 20 eighteen years of age or older or an emancipated

21 minor[+];

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1	(2)	If an applicant provides a landlord or the landlord's
2		agent with a certified copy of the applicant's
3		criminal background check or credit report received
4		within thirty days from another landlord or that
5		landlord's agent, the landlord or the landlord's agent
6		shall not charge an application fee to cover the costs
7		of obtaining another criminal background check or
8		credit report; and
9	(3)	If a comprehensive reusable tenant screening report is
10		made available to the landlord or the landlord's agent
11		and is received within thirty days, the landlord or
12		the landlord's agent shall not charge an application
13		fee.
14	Information sought by the landlord or the landlord's agent	
15	charging	the fee may include personal reference checks, tenant
16	reports,	criminal background checks, and credit reports produced
17	by any co	nsumer credit reporting agency.
18	(b)	Upon request by the applicant, a landlord or the
19	landlord'	s agent shall provide to the applicant a:
20	(1)	Receipt for payment of the application screening fee;
21		[and]

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1	(2)	Breakdown of costs covered by the application
2		<pre>screening fee[-]; and</pre>
3	(3)	Certified copy of the applicant's criminal background
4		checks and credit reports that are less than thirty
5		days old."
6	SECTI	ION 3. Statutory material to be repealed is bracketed
7	and stric	cen. New statutory material is underscored.
8	SECTI	ION 4. This Act shall take effect on July 1, 2050.

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### Report Title:

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

#### 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. Prohibits a landlord or the landlord's agent from charging an application fee if a comprehensive reusable tenant screening report is available. 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. Effective 7/1/2050. (SD1)

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