A BILL FOR AN ACT

RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE.

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

SECTION 1. Chapter 521, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

§521- Application screening fee. (a) When a landlord or the landlord's agent receives a request from an applicant to rent residential property, the landlord or the landlord's agent may charge the applicant an application screening fee at the time the application is processed to cover the costs of obtaining information about the applicant.

(b) A landlord or the landlord's agent shall not charge an applicant an application screening fee when the landlord or the landlord's agent knows or should have known that the rental unit is either unavailable at that time or will not become available within the time stated in an advertisement or in a written notice provided to the applicant.

(c) The amount of the application screening fee shall not exceed $25 per applicant.
(d) The landlord or landlord's agent shall waive subsequent application screening fees for a period of up to three months after the date of the original application if the same applicant applies to rent residential properties that the landlord or landlord's agent owns or manages.

(e) If an application screening fee has been paid by the applicant, the landlord or the landlord's agent shall provide to the applicant a receipt for payment of the application screening fee and a copy of any report obtained by the landlord or landlord's agent.

(f) The landlord or landlord's agent shall return to the applicant any amount of the application screening fee that is not used for the purposes authorized by this section.

(g) For the purposes of this section:

"Applicant" means any person who makes a request to a landlord or a landlord's agent to rent a dwelling unit with the intention of signing a rental agreement, or any person who agrees to act as a guarantor or cosigner for a person making a request to rent a dwelling unit on a rental agreement.

"Application screening fee" means any payment charged by a landlord or a landlord's agent to an applicant to offset the
cost of personal reference checks, tenant reports, and credit
reports produced by any consumer credit reporting agency.

"Consumer credit reporting agency" has the same meaning as
in section 489P-2.

"Credit report" has the same meaning as in section 489P-2."

SECTION 2. This Act does not affect rights and duties that
matured, penalties that were incurred, and proceedings that were
begun before its effective date.

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2019.

INTRODUCED BY:
Report Title: Residential Landlord-Tenant Code; Application Screening Fee

Description: Allows a landlord or landlord's agent to charge an application screening fee as part of the applicant screening process for renting residential property. Limits the amount that may be charged for an application screening fee. Requires the landlord or landlord's agent to return any unauthorized fee amounts to the applicant.

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