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

- 1 for that purpose and any remaining fees are returned to the
- 2 applicant. However, an applicant will still be required to
- 3 submit multiple application fees to landlords or their agents
- 4 who are using those fees to obtain similar information.
- 5 Allowing an applicant to receive a certified copy of certain
- 6 information to provide to another landlord or the landlord's
- 7 agent will further reduce the financial burden of applying for
- 8 rental units and reduce the work of landlords and their agents
- 9 to obtain certain information.
- 10 Accordingly, the purpose of this Act is to allow an
- 11 applicant to request a certified copy of the applicant's
- 12 criminal background check and credit report from one landlord or
- 13 the landlord's agent to provide to another landlord or that
- 14 landlord's agent in lieu of paying a fee to cover the costs of
- 15 obtaining another criminal background check or credit report.
- 16 SECTION 2. Section 521-46, Hawaii Revised Statutes, is
- 17 amended by amending subsections (a) and (b) to read as follows:
- "(a) When a landlord or the landlord's agent receives a
- 19 request from an applicant to rent a dwelling unit, the landlord
- 20 or the landlord's agent may charge the applicant an application
- 21 screening fee at the time the application is processed for the

1	dwelling	unit to cover the costs of obtaining information about
2	the appli	cant; provided that [a]:
3	(1)	$\underline{\underline{\mathtt{A}}}$ landlord or the landlord's agent shall only charge
4		an application screening fee for an applicant who is
5		eighteen years of age or older or an emancipated
6		minor[-];
7	(2)	If an applicant provides a landlord or the landlord's
8		agent with a certified copy of the applicant's
9		criminal background check or credit report received
10		within thirty days from another landlord or that
11		landlord's agent, the landlord or the landlord's agent
12		shall not charge an application fee to cover the costs
13		of obtaining another criminal background check or
14		credit report; and
15	(3)	If a comprehensive reusable tenant screening report is
16		made available to the landlord or the landlord's agent
17		and is received within thirty days, the landlord or
18		the landlord's agent shall not charge an application
19		fee.
20	Informati	on sought by the landlord or the landlord's agent
21	charging	the fee may include personal reference checks, tenant

- 1 reports, criminal background checks, and credit reports produced
- 2 by any consumer credit reporting agency.
- 3 (b) Upon request by the applicant, a landlord or the
- 4 landlord's agent shall provide to the applicant a:
- 5 (1) Receipt for payment of the application screening fee;
- 6 [and]
- 7 (2) Breakdown of costs covered by the application
- 8 screening fee [-]; and
- 9 (3) Certified copy of the applicant's criminal background
- 10 checks and credit reports that are less than thirty
- days old."
- 12 SECTION 3. Statutory material to be repealed is bracketed
- 13 and stricken. New statutory material is underscored.
- 14 SECTION 4. This Act shall take effect on July 1, 2040.

## Report Title:

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

## 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 or makes a comprehensive reusable tenant report available to the landlord or the landlord's agent. 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. Takes effect 7/1/2040. (SD1)

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