

STAND. COM. REP. NO. 579

Honolulu, Hawaii

FEB 16, 2007

RE: H.B. No. 471
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Human Services & Housing, to which was referred H.B. No. 471 entitled:

"A BILL FOR AN ACT RELATING TO RENTAL APPLICATION FEES,"

begs leave to report as follows:

The purpose of this bill is to protect renters, especially those with low incomes, by regulating application fees for rental units.

The Legal Aid Society of Hawaii and several concerned individuals testified in support of this bill. The Hawaii Association of REALTORS provided comments.

Your Committee finds that rental application fees are increasing in frequency, and can range from \$10 to \$69. While fees are sometimes justified when they are applied toward the cost of conducting certain background checks, they also cause a potential for abuse.

Your Committee notes testimony that indicates that rental agreement forms may be affected by the enactment of the provisions in this measure, and that time is needed to update the forms.



Accordingly, your Committee has amended this bill by:

- (1) Replacing provisions that would have limited required disclosures of information obtained from screening services or sources on the prospective tenant's application to only those required under the federal Fair Credit Reporting Act with provisions requiring landlords, when an application fee is not returned, to provide prospective tenants with written notice explaining why the applicant was not offered a rental unit;
- (2) Applying the provisions of this measure only to landlords with four or more rental units;
- (3) Changing the effective date to January 1, 2008; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 471, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 471, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Human Services &
Housing,



MAILE SHIMABUKURO, Chair



