

HB 4125 -2 STAFF MEASURE SUMMARY

House Committee On Housing

Prepared By: Claire Adamsick, LPRO Analyst

Meeting Dates: 2/2, 2/9

WHAT THE MEASURE DOES:

Requires landlord to refund screening charge for an application for residential tenancy within 14 days, if the landlord fills the unit prior to screening the applicant, or does not screen an applicant who agrees in writing that their application be held and considered for up to 60 days for units that may become available. Clarifies that landlord must provide applicant with notice and receipt of a screening conducted on the tenant's application. Requires landlord to notify applicant of their right to a refund of screening charge and of their right to recover damages if landlord fails to provide screening charge refund within 14 days. Increases damages an eligible applicant may recover by \$100.

ISSUES DISCUSSED:

- Up-front costs and fees for tenant in accessing rental housing
- Ensuring prompt screening fee repayment to eligible tenant applicants
- Triggers for 14-day refund window and consideration of grace period for landlord experiencing hardship
- Incremental increase of penalty since initial legislation in 1993
- Self-enforcement for noncompliance

EFFECT OF AMENDMENT:

-2 Requires landlord to refund screening charge within 14 days if the landlord fills the unit prior to screening the applicant, or has not conducted or ordered any screening of the tenant before the tenant withdraws the application in writing. Clarifies landlord must provide applicant with prompt confirmation and receipt of a screening conducted on the tenant's application.

BACKGROUND:

Oregon residential landlord and tenant law describes the process for rental application, screening procedures, and related fees. Many landlords rely on privately-owned tenant screening services which are paid for by the tenant as part of an application fee. In 2019, Senate Bill 484 addressed costs for tenants by requiring a single application fee for rental of one of multiple units owned or managed by the same landlord within a 60-day period. The measure also required a landlord who has collected an applicant screening charge to refund the applicant "within a reasonable time" if the landlord fills the vacant dwelling before screening the applicant or does not otherwise screen the applicant.

House Bill 4125 requires a residential landlord to refund a tenant applicant for a screening charge within 14 days, subject to certain conditions. The measure requires a landlord to notify a tenant that a screening has taken place, and of their right to a refund of the screening charge and to recover damages if the landlord fails to provide a screening charge refund within the specified 14-day time period. It also increases the damages an eligible applicant may recover to twice the amount of the screening charge plus \$250 (a total increase of \$100).