

HB 4125 A STAFF MEASURE SUMMARY**Carrier:** Rep. Nathanson**House Committee On Housing****Action Date:** 02/14/22**Action:** Do pass with amendments. (Printed A-Eng.)**Vote:** 6-5-0-0**Yeas:** 6 - Campos, Fahey, Hoy, Marsh, Neron, Valderrama**Nays:** 5 - Hieb, Meek, Morgan, Weber, Zika**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Claire Adamsick, LPRO Analyst**Meeting Dates:** 2/2, 2/14**WHAT THE MEASURE DOES:**

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 applicant before the applicant withdraws the application in writing. Clarifies that landlord must provide applicant with prompt confirmation and receipt of a screening conducted on their 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 from \$150 to \$250.

ISSUES DISCUSSED:

- Up-front costs and fees for tenant in accessing rental housing
- Ensuring prompt screening fee repayment to eligible tenant applicants
- Ability of landlord to access screening receipt within 14-day window and consideration of grace period for landlord experiencing hardship
- Incremental increase of penalty since initial legislation in 1993
- Self-enforcement for noncompliance
- Allow time for implementation of landlord screening provisions in Senate Bill 291 (2021) before passing new legislation

EFFECT OF AMENDMENT:

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 applicant before the applicant withdraws the application in writing. Clarifies landlord must provide applicant with prompt confirmation and receipt of any screening conducted on the 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 prospective tenant as part of an application fee. Senate Bill 484 (2019) 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 2019 measure also required a landlord who has collected an applicant screening charge to issue a refund to 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 A requires residential landlords to refund an applicant for a screening charge within 14 days, subject to certain conditions. The measure requires landlords to promptly notify an applicant when the screening has taken place, as well as their right to a refund of the screening charge and to recover damages if the landlord

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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).