HB 3974 STAFF MEASURE SUMMARY

House Committee On Rules

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Meeting Dates: 6/2

WHAT THE MEASURE DOES:

The measure modifies the cap on applicant screening fees, permits applicants to provide their own reports from a third party to landlords, and requires landlords to specify which third-party screening reports, products, or services are acceptable.

Detailed Summary:

- Caps the applicant screening charge at the lowest of $20 or:
  - the landlord's actual average screen cost, or
  - the customary amount charge by tenant- or credit-screening companies for comparable services.
- Clarifies that the measure does not impose limits on what tenant screening companies, consumer credit reporting agencies, or other landlord's agents are allowed to charge a landlord for tenant screening services.
- Allows applicants to provide their own reports from a third party to deliver to multiple potential landlords as an application or part of an application.
- Allows landlords to accept a third-party screening report from applicant if:
  - the landlord does not collect a screening charge from the applicant to accept or review said report, and
  - provides the applicant with an alternative to providing a third-party screening via a screening process provided by the landlord.
- Narrows definition of "actual costs" to the cost of using a tenant screening company or a consumer credit reporting agency and the reasonable value of any time spent by the landlord or the landlord's agents in otherwise obtaining information on applicants.
- Replaces the condition on collecting a fee with a condition on applying screening criteria as the trigger for the landlord's notice obligations.
- Requires landlords to disclose whether they accept third-party screening reports and the accepted reports, products, or services.
- Prohibits landlords from requiring applicants to purchase specific third-party screening products or services expect as provided by the provisions of the measure.

Fiscal impact: May have fiscal impact, but no statement yet issued
Revenue impact: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon has statewide regulations on applicant screening fees, with certain cities implementing additional local rules. Under Oregon law (ORS 90.295), a screening charge must not exceed the landlord's average actual cost of screening, or the customary amount charged by screening companies or credit reporting agencies for comparable services.A landlord may only require an applicant to pay a single applicant screening charge within any 60-day period, regardless of the number of rental units owned or managed by the landlord for which the applicant has applied to rent. Before accepting a screening fee, landlords must provide written notice to the applicant, including

the amount of the screening charge, screening criteria, screening process details, applicant's rights to dispute information, appeal rights, nondiscrimination policy, rent and deposit amounts, and any renter's insurance requirements. If a landlord fills the vacant dwelling unit before screening the applicant or does not conduct or order any screening of the applicant before the applicant withdraws the application in writing, the landlord must refund the applicant screening charge within 30 days.

Portland's FAIR (Fair Access in Renting) ordinance introduces additional requirements: any screening fees must be disclosed upfront and can only be collected if there is an available unit. Eugene enforces a cap on screening fees: as of March 10, 2025, the applicant screening charge may not exceed $10, or the amount allowed by ORS 90.295, whichever is less. This cap was upheld by the Oregon Supreme Court in February 2025, affirming the city's authority to impose such a limit.