



Incentivizing fair rental application fees

LC 219

Current situation: Prospective tenants looking for a home often need to submit applications for several rental units in the hope of getting one, and can spend upwards of \$200 on applications (e.g. four application fees at \$50 each) – for each adult in the household – a significant burden for many who struggle to come up with rent and deposit.

Prospective tenants frequently pay the fee without ever hearing about the status of their application or if their background check was screened. Many applicants are also unaware of their right to have the fee returned if the application was never processed or if the unit is filled before their application is considered.

This bill identifies narrow changes to applicant screening law to help renters and landlords navigate requirements for accepting application fees and returning them when the application isn't processed.

The bill has four components:

- *Notice of rights*: requires landlords to provide notice to the applicant when charging an application fee of when and why it should be returned.
- *Confirmation of screening*: requires that landlords provide confirmation or a receipt to the applicant when a background check has been run.
- *Time period of fee return*: changes the requirement for returning the application fee from “within a reasonable amount of time” to 14 days, or for up to 60 days if the application is being considered for other units.
- *Penalty*: increases the penalty for violating this section from \$150 to \$250.

Objective:

Add transparency and structure to rental application fee process for renters and landlords

Key points:

- Narrow set of statutory changes to add clarity and structure to rental application screening law
- Makes conditions for accepting and returning fee more transparent
- For rental applicants and landlords
- No fiscal impact

Questions or need more information?

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