



Urban League
of Portland



community alliance
of tenants



Oregon
Consumer
Justice



Support HB 4125: Increase Screening Fee Transparency

HB 4125 proposes reasonable and narrow changes to current law regarding tenant screening fees to increase transparency.

- The bill provides greater clarity and transparency for renters and landlords regarding requirements for accepting application screening charges and returning the funds when a screening isn't completed.
- Passage of the bill will increase transparency in the use of application screening charges, without creating undue burden for landlords.

Today, tenants with low incomes who are seeking housing in a tight market must often submit applications for multiple rental units in order to have a chance at consideration. These charges often are \$50 for each adult, and any one tenant can incur hundreds of dollars in screening charges. While the current law provides that a landlord must return the screening charge to the applicant if the screening is never completed, many tenants are unaware of this provision. Because the current law lacks clarity and specificity, it is vulnerable to abuse.

Solution: HB 4125 proposes narrow changes to current law, to better ensure transparency and fairness in the acceptance, use, and return of screening charges.

- **Notice of rights:** The bill provides that tenants receive a notice of rights when they apply to an apartment and are charged a screening fee.
- **Receipt:** The bill provides that the applicant should be issued a receipt when a background check has been run, so that the tenant knows the check has been completed.
- **Time period for return of funds:** The bill provides clarity regarding the deadline for returning the screening charge, if the landlord never runs a background check. The current law says the charge must be returned "within a reasonable amount of time" which is a vague standard that creates confusion. The bill changes this timeline to 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.
- **Penalty:** The bill increases the penalty for violating this section from \$150 to \$250. This is a modest increase to a penalty provision that was created decades ago and has not been updated since its creation.

HB 4125 is reasonable bill that will benefit tenants by providing greater transparency. The bill will also benefit landlords by providing greater clarity about when their responsibilities apply.

WE URGE YOUR YES VOTE ON HB 4125

From the desk of
Rep. Nancy Nathanson
N. Nathanson