

Committee Action:
Do Pass _____
Amend & Do Pass _____
Other _____

Assembly Committee on Commerce and Labor

This measure may be considered for action during today's work session.

ASSEMBLY BILL 298

Revises provisions governing housing. (BDR 10-249)

Sponsored By: Assemblywoman Jauregui
Date Heard: March 29, 2023
Fiscal Notes: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

Assembly Bill 298 requires a landlord, who collects any fee from a prospective tenant to apply to rent a dwelling unit, to refund the fee if the landlord rents the dwelling unit to a different prospective tenant and does not conduct the activity for which the fee was collected. Additionally, the measure requires a written rental agreement to contain a separate appendices containing certain information concerning fees and the rights of the tenant. The measure exempts from the real property transfer tax between July 1, 2023, and December 31, 2024, a transfer, assignment, or other conveyance of real property to a bona fide resident who attests that he or she will use the real property as his or her primary residence. Further, the bill provides that during the period beginning July 1, 2023, and ending on December 31, 2024, a landlord must not renew the rental agreement, or enter into a new rental agreement, for a dwelling unit with the existing tenant that increases the rent payable in an amount that is more than 10 percent of the rent payable by the existing tenant that is in effect on June 30, 2023.

Amendments: Assemblywoman Jauregui, Jon Norman, and Christine Hess propose the following amendments (attached):

1. Amend Section 1 of the bill to prohibit a landlord from charging an application fee, or for credit reporting, or background checks for any minors who are members of the prospective tenant's household.
2. Amend subsection 3(o) of Section 2 of the bill to specify the manner in which variable costs and fixed fees must be set forth in the appendix containing an explanation of each fee that may be charged during the term of the rental agreement and the purpose for which the fee may be charged.
3. Delete Section 3 of the bill, which provides an exemption from the real property transfer tax for certain transfers, assignments, or other conveyances of real property to a bona fide resident under certain circumstances.

Amendment to AB 298 by Sandra Jauregui, Jon Norman and Christine Hess

April 10, 2023

1. Section 1 add in a specific prohibition against charging any fee for minors who are members of the prospective tenant's household.
2. Section 2 subsection (o): add in specifics about how LL discloses variable fees such as water, electricity. Add in specifics about how LL discloses fixed fees that can be raised by third party vendor such as internet, cable, and trash.

Section 1

A landlord who collects from a prospective tenant any fee to apply to rent a dwelling unit, including, without limitation, an application fee, a fee to obtain a credit report or a fee to obtain a background check, shall refund the fee to the prospective tenant if the landlord:

- 1. Rents the dwelling unit to a different prospective tenant;***
and
- 2. Does not conduct the activity for which the fee was collected, including, without limitation, processing the application or obtaining a credit report or background check of the prospective tenant.***
- 3. Landlord's are prohibited from charging any application fee or for credit reporting or background checks for any minor in the prospective tenant's household.***

Section 2

(o) A separate appendix that contains a clear and concise explanation of each fee that may be charged during the term of the rental agreement and the purpose for which the fee may be charged.

- 1. For variable costs, such as water, the landlord shall indicate the cost to be paid shall be the actual costs incurred and no additional fees can be added unless they are actual charges incurred by the tenant such as late fees etc.***
- 2. For fixed fees, provided by a third party vendor, such as internet. The Landlord shall provide the current fee amount.***
- 3. All fees not contained in subsection 1 or subsection 2 must be listed with specificity in the appendix.***

(p) A separate appendix that contains a clear and concise explanation of the rights of the tenant pursuant to federal and state laws and local ordinances.