



# HOUSE OF REPRESENTATIVES

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## **TESTIMONY BEFORE THE JUDICIARY COMMITTEE**

### **“An Act to Reduce Barriers to Housing by Prohibiting Tenant Application Fees”**

### **LD 691**

March 23, 2023

Senator Carney, Representative Moonen, and Members of the Joint Standing Committee on Judiciary:

I am Representative Chris Kessler, and I represent District 121, part of South Portland and part of Cape Elizabeth. Thank you for considering LD 691: An Act to Reduce Barriers to Housing by Prohibiting Tenant Application Fees.

No one disagrees that screening prospective tenants is a necessary thing to do. This bill simply proposes one thing: tenant screening should be the cost of doing business, not an obstacle to being housed.

Application fees have created another significant financial burden for renters, particularly for those who are already facing challenges making ends meet. These fees are often non-refundable. Unfortunately, tenants are sometimes paying hundreds of dollars in fees when applying for multiple apartments, with no guarantee of being accepted and no refund if they aren't selected. These fees can also create barriers for marginalized and vulnerable populations, including those with disabilities, immigrants, and individuals with criminal records. Landlords may use application fees as a way to discriminate against these groups, even if they are otherwise qualified to rent a particular property. This can perpetuate housing discrimination and exacerbate existing inequities.

The status quo has also created an environment ripe for abuse; there is no oversight or safeguards in place to prevent property owners or managers from collecting fees from people they have no intention of renting to, and turning it into an additional source of revenue.

You will be hearing other bills being sponsored by Democrats and Republicans to try and deal with this issue, which speaks to its prevalence. There are elements of those proposals that I believe should be included in this committee's solution, like written notice of the types of



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information that will be accessed and what could lead to a denial of the rental application. I have wrestled with how to deal with this problem for years, and I keep coming back to the proposal before you right now because of the *KISS* principle:

# Keep It Simple, Stupid!

Why is an outright ban on application fees the simplest and most effective way to go? Firstly, tenants are still going to be on the hook for paying for the cost of screening regardless of what happens. If application fees are prohibited, landlords will roll the cost of screening into the rent to cover costs, and tenants have that financial hurdle removed. Secondly, there is no need to create additional legal requirements or bureaucracy. We don't need to grow the size and scope of state government to solve this problem, and we don't need to create additional requirements for landlords, property managers, screening services or tenants that will be challenging to implement and enforce. Thirdly, it cleanly eliminates the possibility for abuse of these fees as a tool of discrimination or exploitation.

Thank you for your consideration of my testimony.

Sincerely,

Rep. Christopher Kessler