Certain Lease Rental Application Fees Barred as of January 1, 2024

By Allison L. Fleet

As of January 1, 2024, a Rhode Island law prohibits landlords, rental agents, and property managers from charging application fees in connection with tenant rental applications. Application fees include credit checks, background checks, screenings and administrative services. Notwithstanding the new prohibition, landlords and their representatives are still permitted to pass through to the applicant tenant the actual cost of (1) a credit check and/or (2) a criminal background check, unless the rental applicant has provided to the landlord a credit report and BCI/police background check dated no more than 90 days before the date of the application. If the rental applicant is required to pay for a report, the landlord (or their representative) must provide a copy of the report to the applicant. The goal of the new law is to prevent the practice of rental applicants paying application fees for multiple rental applications that can often total hundreds of dollars.

Landlords may elect to run these and other checks at landlord's expense, so long as the costs and fees are not passed through to the applicant.

A violation of the new law is deemed a deceptive trade practice resulting in the violator being subject to certain civil penalties in accordance with Rhode Island law.

<u>Partridge Snow & Hahn</u>'s <u>Real Estate group</u> can assist with reviewing your residential lease documents. Reach out to us today to set up a call or a meeting at your convenience.

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