

1 AN ACT relating to the screening of residential tenants.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔ SECTION 1. A NEW SECTION OF KRS CHAPTER 383 IS CREATED TO

4 READ AS FOLLOWS:

5 (1) As used in this section:

6 (a) "Applicant screening charge" means a fee charged by a landlord to cover
7 the cost of an applicant's tenant screening; and

8 (b) "Tenant screening" means a landlord's process for obtaining an applicant's
9 information while forming a rental agreement, including but not limited to
10 checking references and obtaining a consumer credit report or tenant
11 screening report.

12 (2) A landlord shall not require payment of an applicant screening charge until the
13 landlord provides written notice to the applicant of the following:

14 (a) An estimate made in good faith pertaining to additional rental units owned
15 or managed by a landlord which shall include:

16 1. The number of rental units that are comparable to the unit sought by
17 the applicant;

18 2. The rental amount of each rental unit relatively comparable to the
19 unit sought by the applicant;

20 3. If not already available for rent, the approximate date each rental unit
21 is expected to become available for rent within a reasonable future
22 time;

23 4. The number of applications already accepted and remaining under
24 consideration for those rental units; and

25 5. A disclaimer that a good faith error by a landlord in making an
26 estimate under this paragraph does not provide grounds for a claim
27 under subsection (5) of this section;

1 **(b) The rental amount charged for the unit sought and the amount of any**
2 **deposit required by the landlord; and**
3 **(c) If required by the landlord, the amount of renter's liability insurance an**
4 **applicant must maintain throughout the lease.**

5 **(3) Regardless of whether a landlord requires payment for an applicant screening**
6 **charge, prior to accepting the application and any payment, the landlord shall:**

7 **(a) Adopt written screening or admission criteria; and**
8 **(b) Give written notice to the applicant of:**

9 **1. The amount of any applicant screening charges;**
10 **2. The landlord's screening and admission criteria;**
11 **3. The landlord's typical process for screening applicants, including**
12 **whether the landlord uses a tenant screening company, credit reports,**
13 **public records, criminal records, or contacts employers, landlords, or**
14 **other references;**
15 **4. The applicant's right to dispute the accuracy of any information**
16 **provided to the landlord by a screening company or credit reporting**
17 **agency;**
18 **5. Any right of the applicant to appeal a negative determination; and**
19 **6. Any nondiscrimination policy as required by federal, state, or local**
20 **law and any nondiscrimination policy of the landlord, including that a**
21 **landlord may not discriminate against an applicant based on the race,**
22 **sex, sexual orientation, national origin, marital status, familial status,**
23 **or source of income of the applicant.**

24 **(4) Unless the applicant agrees otherwise in writing, a landlord shall not require**
25 **payment of an applicant screening charge when a landlord knows or should**
26 **know that no rental units are available at that time or are expected to become**
27 **available within a reasonable future time.**

1 (5) The applicant may recover from the landlord the amount of the applicant
2 screening charge, plus one hundred fifty dollars (\$150), if:
3 (a) The landlord fails to comply with this section with respect to the tenant
4 screening or applicant screening charge; or
5 (b) The landlord does not conduct a screening of the applicant for any reason
6 and fails to refund an applicant screening charge to the applicant within a
7 reasonable amount of time.

8 ➔ SECTION 2. A NEW SECTION OF KRS CHAPTER 383 IS CREATED TO
9 READ AS FOLLOWS:

10 (1) If a landlord denies an application, the landlord shall, within fourteen (14) days
11 of the denial, provide the applicant with a written statement of one (1) or more
12 reasons for the denial.

13 (2) The landlord's statement of reasons for denial required by subsection (1) of this
14 section shall consist of a form with one (1) or more reasons listed. The reasons
15 may include but are not limited to the following:

16 (a) Negative or insufficient reports from references or other sources;
17 (b) An unacceptable or insufficient rental history, such as a reference from a
18 prior landlord;
19 (c) A prior action for possession under KRS 383.200 to 383.285 that resulted in
20 a judgment for the plaintiff or an action for possession that has not yet
21 resulted in a dismissal or general judgment;
22 (d) Inability to verify information regarding rental history;
23 (e) Criminal records, including inability to verify information regarding
24 criminal history;
25 (f) Financial information, including:

26 1. Insufficient income;
27 2. Negative information provided by a consumer reporting agency; or

1 3. Inability to verify information regarding credit history;
2 (g) Failure to meet other written screening criteria; or
3 (h) The dwelling unit has already been rented.
4 (3) The statement of reasons for denial shall include:
5 (a) The name and address of any tenant screening companies or consumer
6 credit reporting agencies that provided reports on which denial was based if
7 not previously disclosed to the applicant;
8 (b) Any supplemental evidence provided by the applicant that the landlord
9 considered and an explanation of the reasons that the supplemental
10 evidence did not adequately compensate for the factors that informed the
11 landlord's decision to reject the application; and
12 (c) Any right of the applicant to appeal the determination.
13 (4) Except as provided in subsection (3)(a) of this section, a landlord shall not be
14 required to disclose the results of a tenant screening or report to an applicant
15 with respect to information that is not required to be disclosed under the Fair
16 Credit Reporting Act, 15 U.S.C. sec. 1681 et seq. A landlord may give to an
17 applicant a copy of that applicant's consumer report, as defined in the Fair Credit
18 Reporting Act.
19 (5) If a landlord fails to comply with this section, the applicant may bring an action
20 in District Court to recover from the landlord one hundred dollars (\$100).
21 ➔ SECTION 3. A NEW SECTION OF KRS CHAPTER 383 IS CREATED TO
22 READ AS FOLLOWS:
23 (1) Prior to tendering any consideration deemed to be a security deposit, a
24 prospective residential tenant shall be presented with a comprehensive listing of
25 any then-existing damage to the unit which would be the basis for a charge
26 against the security deposit and the estimated dollar cost of repairing the damage.
27 The tenant shall have the right to inspect the premises to ascertain the accuracy

1 of the listing prior to taking occupancy. The landlord and tenant shall sign the
2 listing, which signatures shall be conclusive evidence of the accuracy of the
3 listing, but shall not be construed to be conclusive to latent defects. If the tenant
4 shall refuse to sign the listing, he or she shall state specifically in writing the
5 items on the list to which he or she dissents, and shall sign the statement of
6 dissent.

7 (2) No landlord shall be entitled to retain any portion of a security deposit if the
8 damage listing required by subsection (1) of this section is not provided.