

Resolution

No. 22-196

APPROVING FOR INCLUSION IN THE 2023
HAWAII STATE ASSOCIATION OF COUNTIES
LEGISLATIVE PACKAGE A STATE BILL
RELATING TO THE RESIDENTIAL
LANDLORD-TENANT CODE

WHEREAS, the Council finds that housing insecurity deeply impacts families in the State, and that local families need additional rental protections, especially since the onset of the pandemic in 2020; and

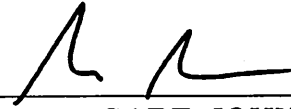
WHEREAS, while policies encouraging the building of more affordable housing units and ensuring those units remain affordable should continue, equal attention must be paid to providing affordable rentals and protecting tenants from displacement; and

WHEREAS, regulation of the rental market is required to ensure that housing units remain affordable and grounded in the State's local economy; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That the proposed State bill, attached as Exhibit "A," relating to the Residential Landlord-Tenant Code, is approved for inclusion in the 2023 Hawaii State Association of Counties Legislative Package; and
2. That certified copies of this Resolution be transmitted to the Hawaii State Association of Counties Executive Committee.

INTRODUCED BY:

A handwritten signature in black ink, consisting of a stylized 'G' followed by a horizontal line and a small flourish.

GABE JOHNSON

A BILL FOR AN ACT

RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that housing insecurity
2 deeply impacts families in the State and that local families
3 need additional rental protections, especially since the onset
4 of the pandemic in 2020. While policies encouraging the building
5 of more affordable housing units and ensuring those units remain
6 affordable should continue, equal attention must be paid to
7 providing affordable rentals and protecting tenants from
8 displacement.

9 The legislature additionally finds that many renters in
10 Hawaii lose their housing through processes that never register
11 as evictions because they happen at the end of a lease term,
12 while other renters are subjected to retaliatory or
13 discriminatory evictions. These no-cause evictions are a cause
14 of housing insecurity and houselessness. Just cause eviction
15 policies, including local ordinances and state laws, are a form
16 of tenant protection that have been proven to prevent these
17 forms of displacement by establishing that landlords may only
18 evict tenants for certain reasons, such as failure to pay

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1 rent. These policies also allow no-fault evictions but require
2 the landlord to pay relocation benefits for the tenants. Just
3 cause eviction policies are valuable tools to prevent
4 displacement, especially in housing markets that are
5 unattainable for local working families, and where landlords
6 often evict existing tenants to renovate their buildings and
7 attract wealthier new renters at higher prices.

8 The purpose of this Act is to:

- 9 (1) Prohibit landlords from terminating certain tenancies
10 without just cause;
- 11 (2) Require landlords, when terminating a tenancy based on
12 no-fault just cause, to offer relocation assistance to
13 the tenant or waiver of the final month's rent; and
- 14 (3) Prohibit landlords from, over the course of any
15 twelve-month period, increasing the gross rental rate
16 for a dwelling unit more than three per cent plus the
17 percentage change in the cost of living, as defined,
18 or seven per cent, whichever is lower, of the lowest
19 gross rental rate charged for the immediately
20 preceding twelve months.

21 SECTION 2. Chapter 521, Hawaii Revised Statutes, is
22 amended by adding three new sections to be appropriately
23 designated and to read as follows:

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1 "§521-A Termination of tenancy; holdover tenants; just
2 cause; relocation assistance. (a) Notwithstanding any other
3 law to the contrary, after a tenant has continuously and
4 lawfully occupied a dwelling unit for twelve months, the
5 landlord shall not terminate the tenancy without just cause,
6 which shall be stated in the written notice to terminate the
7 tenancy.

8 (b) If any additional adult tenants are added as parties
9 to the rental agreement before an existing tenant has
10 continuously and lawfully occupied the dwelling unit for
11 twenty-four months, then subsection (a) shall only apply if:

12 (1) All of the tenants have continuously and lawfully
13 occupied the dwelling unit for twelve months or more;

14 or

15 (2) One or more of the tenants have continuously and
16 lawfully occupied the dwelling unit for twenty-four
17 months or more.

18 (c) When terminating a tenancy for just cause, the
19 landlord shall comply with all applicable notice requirements
20 and, where applicable, shall provide the tenant reasonable time
21 to remedy the noncompliance as required by this chapter.

22 (d) Subsection (a) shall not apply if the landlord has
23 provided a written notice of an intent to terminate the tenancy

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1 at the end of the term of a fixed-term rental agreement;
2 provided that the written notice shall be provided no later than
3 forty-five days prior to the end of the term of the fixed-term
4 rental agreement.

5 (e) For a tenancy for which just cause is required to
6 terminate the tenancy under subsection (a), if the landlord
7 issues a notice to terminate the tenancy based on no-fault just
8 cause, the landlord shall, regardless of the tenant's income, at
9 the landlord's option, do one of the following:

10 (1) Assist the tenant to relocate by providing direct
11 payment to the tenant equal to one month of the
12 tenant's rent that was in effect when the landlord
13 issued the notice to terminate the tenancy; provided
14 that the direct payment shall be provided within
15 fifteen calendar days of service of the notice; or

16 (2) Waive the payment of rent for the final month of the
17 tenancy, prior to the rent becoming due.

18 (f) If the landlord issues a notice to terminate a tenancy
19 for no-fault just cause, the landlord shall notify the tenant of
20 the tenant's right to relocation assistance or rent waiver
21 pursuant to this section. If the landlord elects to waive the
22 rent for the final month of the tenancy as provided under
23 subsection (e) (2), the notice shall state the amount of the rent

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1 waived and that no rent is due for the final month of the
2 tenancy.

3 (g) If the tenant fails to vacate the dwelling unit after
4 the expiration of the notice to terminate the tenancy, the
5 actual amount of any relocation assistance or rent waiver
6 provided pursuant to this section shall be recoverable as
7 damages in an action or proceeding to recover possession.

8 (h) Failure by a landlord to strictly comply with
9 subsection (e) or (f) shall render the notice of to terminate
10 the tenancy void.

11 **§521-B Gross rental rates; limitations on increases;**
12 **fees.** (a) Subject to subsection (c), a landlord shall not,
13 over the course of any twelve-month period, increase the gross
14 rental rate for a dwelling unit by more than the lesser of:

15 (1) Three per cent plus the percentage change in the cost
16 of living over the twelve-month period; or
17 (2) Five per cent.

18 In determining the lowest gross rental rate pursuant to
19 this section, any rent discounts, incentives, concessions, or
20 credits offered by the landlord of the dwelling unit and
21 accepted by the tenant shall be excluded. The monthly gross
22 rental rate and any owner-offered discounts, incentives,
23 concessions, charges, or credits shall be separately listed and

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1 identified in the rental agreement or any amendments to an
2 existing rental agreement.

3 (b) If the same tenant remains in occupancy of the
4 dwelling unit over any thirty-six-month period, the gross rental
5 rate for the dwelling unit shall not be increased in more than
6 two increments over that thirty-six-month period, subject to
7 other restrictions of this section governing gross rental
8 increase.

9 (c) Subsection (a) shall not apply to the initial rate
10 agreed upon in a new rental agreement for which no tenant from
11 the prior tenancy remains in lawful possession of the dwelling
12 unit; provided that subsection (a) shall apply to any subsequent
13 increase after the initial rate has been established in the
14 rental agreement.

15 (d) A tenant shall not enter into a sublease that results
16 in a total rent for the dwelling unit that exceeds the allowable
17 gross rental rate authorized by subsection (a). Nothing in this
18 section shall authorize a tenant to sublet or assign the
19 tenant's interest in the dwelling unit where otherwise
20 prohibited.

21 (e) The landlord shall provide written notice to the
22 tenant of any increase in the rental rate forty-five days prior
23 to the effective date of the rate increase.

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1 (f) For purposes of this section, "percentage change in
2 the cost of living" means the percentage change from April 1 of
3 the prior year to April 1 of the current year in the regional
4 Consumer Price Index in which the dwelling unit is located, as
5 published by the United States Bureau of Labor Statistics. If a
6 regional index is not available, the Consumer Price Index, for
7 All Urban Consumers, All Items, for Urban Hawaii and United
8 States, as determined by the department of business, economic
9 development, and tourism, shall apply.

10 **\$521-C Penalty.** In addition to any other penalties, any
11 landlord that violates this chapter shall be liable to the
12 tenant in an amount equal to three months' rent.

13 SECTION 3. Section 521-8, Hawaii Revised Statutes, is
14 amended by adding three new definitions to be appropriately
15 inserted and to read as follows:

16 "At-fault just cause" means the termination of a tenancy
17 for any of the following on the part of a tenant:

18 (1) Failing to pay rent;

19 (2) Breaching the tenant's obligations under section
20 521-52;

21 (3) Committing any act, or causing any condition to exist,
22 within the dwelling unit or upon the premises, which

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1 act or condition constitutes a nuisance as defined in
2 section 712-1270;

3 (4) Committing waste or failing to maintain the premises
4 as described in section 521-51;

5 (5) Engaging in criminal activity within the dwelling unit
6 or upon the premises;

7 (6) Engaging in any criminal activity or terroristic
8 threatening, on or off the premises, that is directed
9 at the landlord;

10 (7) Assigning or subletting the dwelling unit or premises
11 in violation of the rental agreement;

12 (8) Refusing to allow the landlord to access the dwelling
13 unit as provided in section 521-53(a); or

14 (9) Failure by the tenant to deliver possession of the
15 dwelling unit to the landlord after providing the
16 landlord with written notice of the tenant's intention
17 to terminate the rental agreement as provided by
18 section 521-71(b)."

19 "Just cause" means the termination of a tenancy for either
20 at-fault just cause or no-fault just cause."

21 "No-fault just cause" means the termination of a tenancy
22 for any of the following on the part of the landlord:

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1 (1) Intending to occupy the dwelling unit or intending for
2 the landlord's spouse, domestic partner, children,
3 grandchildren, parents, or grandparents to occupy the
4 dwelling unit;

5 (2) Withdrawing of the dwelling unit from the rental
6 market;

7 (3) Complying with an order by a government agency or
8 court that necessitates the vacating of the dwelling
9 unit for habitability or other reasons; provided that
10 if the government agency or court finds that the
11 tenant is at fault for the condition or conditions
12 triggering the order to vacate, the tenant shall not
13 be entitled to relocation assistance as outlined in
14 section 521-A(e); or

15 (4) Intending to demolish or substantially remodel the
16 residential property. For purposes of this
17 definition, "substantially remodel" means the
18 replacement or substantial modification of any
19 structural, electrical, plumbing, or mechanical system
20 that requires a permit from a government agency, or
21 the abatement of hazardous materials, including lead-
22 based paint, mold, or asbestos, in accordance with
23 applicable federal, state, and local laws, that cannot

SECTION 4. Statutory material to be repealed is bracketed and in strikethrough. New statutory material is underscored.

INTRODUCED BY: _____

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