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# A BILL FOR AN ACT

RELATING TO SECURITY DEPOSITS.

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

1 SECTION 1. Chapter 521, Hawaii Revised Statutes, is  
2 amended by adding a new section to part IV to be appropriately  
3 designated and to read as follows:

4 "§521- Security deposit alternatives. Upon a tenant's  
5 request, a landlord that requires a security deposit as a  
6 condition of a rental agreement pursuant to section 521-44(b),  
7 shall offer to accept at least one of the following in lieu of  
8 the required security deposit:

9 (1) Rental security insurance; provided that:

10 (A) The insurance provider is an approved carrier  
11 licensed by, and in good standing with, the  
12 insurance division of the department of commerce  
13 and consumer affairs;

14 (B) The coverage is effective upon the payment of the  
15 first premium and remains effective for the  
16 entire lease term; and



1           (C) The coverage provided per claim is not less than  
2           the amount the landlord requires for a security  
3           deposit; or

4           (2) A surety bond in an amount equal to the total security  
5           deposit.

6           Nothing in this section shall be construed as to limit any other  
7           provisions or requirements pursuant to section 521-44."

8           SECTION 2. New statutory material is underscored.

9           SECTION 3. This Act shall take effect on July 1, 2040.



**Report Title:**

Security Deposit Alternatives; Rental Security Insurance; Surety Bond; Residential Landlord-Tenant Code

**Description:**

Requires a landlord to accept either rental security insurance or a surety bond in lieu of a traditional security deposit, upon a tenant's request. Takes effect 7/1/2040. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

