

TESTIMONY OF THE DEPARTMENT OF THE ATTORNEY GENERAL KA 'OIHANA O KA LOIO KUHINA THIRTY-THIRD LEGISLATURE, 2025

ON THE FOLLOWING MEASURE:

H.C.R. NO. 158 AND H.R. NO. 153, REQUESTING THE ATTORNEY GENERAL TO CONVENE A WORKING GROUP TO DEVELOP LANDLORD-TENANT CODE IMPROVEMENTS TO INCREASE THE SUPPLY OF HOUSING IN HAWAII.

BEFORE THE:

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

DATE: Thursday, March 20, 2025 **TIME:** 2:00 p.m.

LOCATION: State Capitol, Room 329

TESTIFIER(S): Anne E. Lopez, Attorney General, or

Christopher T. Han, or Christopher J.I. Leong, Deputy Attorneys

General

Chair Matayoshi and Members of the Committee:

The Department of the Attorney General (Department) provides the following comments.

This resolution requests the Attorney General to convene a three-year working group to research landlord-tenant issues specific to increasing the availability of rental housing and improving landlord-tenant interactions.

The Department notes that the topics to be researched by the working group extend beyond the Department's legal role and areas of subject-matter specialization. For example, the resolution calls for the working group to identify the potential availability of rental housing stock that is not being offered for rent, a task better suited for either real estate professionals or consultants or state agencies with subject matter expertise in housing. The resolution also calls for the working group to evaluate financial and procedural barriers to offering or obtaining housing, a task better suited for real estate agents or economists or for state agencies with expertise in housing. As such, the Department recommends that the scope and membership of the working group be adjusted to focus on the real estate and financial aspects of the rental housing issues.

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Furthermore, landlord-tenant disputes fall outside the Department's jurisdiction, as the Department is statutorily authorized to generally provide legal services to "the governor, legislature, and such state departments and officers as the governor may direct[,]" and to "give advice and counsel to the heads of departments, district judges, and other public officers, in all matters connected with their public duties[.]" Sections 26-7 and 28-4, Hawaii Revised Statutes (HRS). The Legislative Reference Bureau (LRB) may be better suited to evaluating potential legislative solutions based on its general grant of authority to conduct and provide research for the enactment of substantive legislation. See section 23G-3, HRS. As such, the Department recommends that the Legislature direct another agency more suited for this task to convene a task force or the LRB to conduct a study on the issue.

Thank you for the opportunity to provide comments.

March 20, 2025

The Honorable Scot Z. Matayoshi, Chair

House Committee on Consumer Protection & Commerce State Capitol, Conference Room 329 & Videoconference

RE: House Concurrent Resolution 158

HEARING: Thursday, March 20, 2025, at 2:00 p.m.

Aloha Chair Matayoshi, Vice Chair Chun, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR **strongly supports** House Concurrent Resolution 158 requesting the Attorney General to convene a Working Group to develop Landlord-Tenant Code improvement to increase the supply of housing in Hawaii.

We strongly support the establishment of a working group to address landlord-tenant issues. With 38.2%¹ of Hawai'i residents renting their homes, rental housing is a critical part of Hawaii's housing market. The Residential Landlord-Tenant Code was established in 1972 and has never undergone a comprehensive review. As rental laws grow more complex, property owners, tenants, and property managers face increasing challenges in navigating these processes.

If a housing provider has a tenant who is not paying rent or violating other provisions of a rental agreement, they may have to go through a lengthy and time-consuming court process to evict the tenant. This could discourage property owners from offering or continuing to offer their properties as rental housing. On the other hand, if a tenant has a housing provider who fails to meet their obligations under the Landlord-Tenant Code, they may be unsure of what recourse or protections are available to them.

Establishing a working group to thoroughly review the Landlord-Tenant Code can help identify these challenges and develop solutions to support and expand more rental housing availability.

Mahalo for the opportunity to provide testimony on this measure.



¹ UHERO. (May 20, 2024). *The Hawai'i Housing Factbook*. https://uhero.hawaii.edu/wpcontent/uploads/2024/05/HawaiiHousingFactbook2024.pdf

HCR-158

Submitted on: 3/18/2025 3:30:21 PM

Testimony for CPC on 3/20/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Alana Kay	Maui Tenants and Workers Association	Comments	Remotely Via Zoom

Comments:

There needs to be better tenant representation in the task force/working group.

I operate a hotline for tenants who are having disputes with their landlords. It is my distinct impression from my own experiences as well as participation on the hotline that tenants are in the weaker position with regard to the law than are the landlords. Tenants are least likely to have money for an attorney and in Maui in particular, there is a shortage of housing and landlords take advantage of the situation by harassing tenants and refusing to repair because they know the tenant has no place to go.

While updating HRS 521, providing more housing, and keeping landlord tenant disputes out of the courts are important goals, I am questioning the effectiveness of a task force that does not include a large representative group of tenant advocacy organizations and or tenants. A working group would and should include all stake holders as the bill suggests.

My observation is that the group is top heavy with professionals who are distanced from reality in the trenches.

The bill suggests that clarification will help keep tenants and landlords out of court. While that is a great idea, as a hotline operator, I would like to suggest that clarification is not the greatest issue that needs to be addressed in HRS 521. There are many things that need to be changed and updated in HRS 521, such as penalties for lockouts/utility shut offs and the amount which a tenant may pay for repairs. These numbers need to reflect the increase in cost of living since the statutes were codified.

Also, the bill also does not say how aspects of HRS 521 would be updated to keep disputes out of the courts and encourage increased supply, so it leads to concerns that the changes may create greater protections for landlords when there are many in the community who believe that tenants need greater protections, not less.

Again, my main concern is that there is an imbalance of representation, which easily leads to me to be concerned about actual intentions and therefore the results. There should be as many tenant representatives as there is administrative and legal professionals.

HCR-158

Submitted on: 3/19/2025 11:08:08 AM

Testimony for CPC on 3/20/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Royce Ventura	Individual	Support	Written Testimony Only

Comments:

Aloha, I wholeheartedly support any group who decides to help Mau'I with the incredible task of increasing the rental market here. Where studio's are a premium at \$3000. Per month, and families need to sneak their children into these small spaces. I know our family of 7 lived in an apartment for half a year, that meant 1 bathroom and sleeping like sardines in a can. This is Not conducive for school children to thrive in? The rents are quadruple the amount? People are basing this price off of the mortgage they need and an additional profit.? The only thing my family can pray for is the mortgage rates lower and the overall decency of landlords prevails so the rents decrease to an affordable rate. Thank you