

JAN 24 2007

SENATE CONCURRENT RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY THE
LEGALITY AND EFFECTIVENESS OF RENT CONTROL.

1 WHEREAS, rent for residential property can rise drastically
2 when the economy is good and housing is in short supply; and
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4 WHEREAS, rent control refers to the regulation of rent to
5 prevent unreasonable or excessive increases; and
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7 WHEREAS, in the United States, the federal government
8 imposed rent control during World War II, and continued the
9 practice in several cities after the war because of housing
10 shortages; and
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12 WHEREAS, states and municipalities later assumed
13 jurisdiction over rent control and the practice has since ended
14 in most locations; and
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16 WHEREAS, rent control proponents claim that housing is an
17 inalienable human right equal to landlords' rights and that rent
18 control is necessary to prevent landlords from imposing rent
19 increases that force the elderly and poor to move; and
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21 WHEREAS, rent control proponents also claim that
22 maintaining a supply of affordable housing is essential to
23 sustaining job growth and communities that are inclusive of
24 seniors and people of all income levels; and
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26 WHEREAS, homeowners who support rent control stress the
27 neighborhood instability caused by rent increases and the
28 negative effect on schools, youth groups, and community
29 organizations when tenants frequently move; and
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31 WHEREAS, rent control opponents claim that rent control
32 creates housing shortages, resulting in an overall decrease in
33 the quality of housing stock in an area, and that the benefits



1 of rent control accrue disproportionately to the wealthy and
2 well-connected; and

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4 WHEREAS, rent control opponents also claim that the goal of
5 making housing available and affordable to the poor can be
6 accomplished by the same free market that created the housing
7 units in the first place, or by government construction or
8 subsidy of affordable housing projects; and

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10 WHEREAS, rent control opponents also claim that the
11 practice violates landlords' property rights because it limits
12 the landlords' ability to sell their rent controlled properties
13 and essentially puts a landlord's property to work for the state
14 without recourse; and

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16 WHEREAS, regulation of real property is a general
17 occurrence in modern societies; and

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19 WHEREAS, landlords' actively assert to legislatures that
20 the government has taken their property without compensation,
21 even though courts have generally found that unconstitutional
22 takings have not occurred; and

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24 WHEREAS, while the political debate over rent control is
25 far-reaching, the purpose and provisions of rent control laws
26 are intended to be limited in scope, and the frequency and
27 degree of rent increases are usually limited by the rate of
28 inflation; and

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30 WHEREAS, under rent control, landlords may pass the cost of
31 capital improvements to tenants, and tenants may claim that
32 decreased services or the lack of necessary repairs offset
33 additional increases or justify a rent reduction; now,
34 therefore,

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36 BE IT RESOLVED by the Senate of the Twenty-fourth
37 Legislature of the State of Hawaii, Regular Session of 2007, the
38 House of Representatives concurring, that the Legislative
39 Reference Bureau is requested to study the legality and
40 effectiveness of rent control in jurisdictions where rent
41 control has been established; and

42



S.C.R. NO. 5

1 BE IT FURTHER RESOLVED that the Legislative Reference
2 Bureau consider the feasibility and potential effectiveness of
3 enacting and implementing rent control measures in Hawaii; and
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5 BE IT FURTHER RESOLVED that the Legislative Reference
6 Bureau report its findings to the Legislature no later than
7 twenty days prior to the convening of the 2008 regular session;
8 and
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10 BE IT FURTHER RESOLVED that certified copies of this
11 Concurrent Resolution be transmitted to the Director of the
12 Legislative Reference Bureau, the interim Director of the Hawaii
13 Public Housing Authority, and the Director of the Hawaii Housing
14 Finance and Development Corporation.
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OFFERED BY: *Elizabeth Chun Oakland*
By Request

