### A BILL FOR AN ACT

RELATING TO DISCRIMINATION.

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

- 1 SECTION 1. The legislature finds that low-income
- 2 individuals have an extremely difficult time finding affordable
- 3 rentals in Hawaii. This situation is made more frustrating when
- 4 "no section 8 accepted" housing vacancy advertisements prevent
- 5 low-income individuals from being considered as renters.
- 6 Hawaii's laws currently do not prohibit discrimination based on
- 7 lawful source of income. However, a number of other states,
- 8 including California and Oregon, have prohibited this type of
- 9 income discrimination. Renters who participate in government
- 10 assistance programs, such as the federal Housing Choice Voucher
- 11 program, also known as section 8 housing, should have an equal
- 12 opportunity to find housing.
- 13 The purpose of this Act is to prohibit discrimination based
- 14 on lawful source of income in the rental of real estate,
- 15 including advertisements for available rental units.

# H.B. NO. 25 H.D. 1

1	SECT	TION 2. Chapter 521, Hawaii Revised Statutes, is
2	amended b	y adding four new sections to be appropriately
3	designate	ed and to read as follows:
4	" <u>§</u> 52	1- Discriminatory practices. (a) In addition to
5	the discr	iminatory practices provided in section 521-3, it is a
6	discrimin	atory practice for a person engaging in a rental
7	transacti	on pursuant to this chapter because of source of
8	income:	
9	(1)	To refuse to engage in a rental transaction with a
10		person;
11	(2)	To discriminate against a person in the terms,
12		conditions, or privileges of a rental transaction or
13		in the furnishing of facilities or services in
14		connection with a rental transaction;
15	(3)	To refuse to receive or to fail to transmit a bona
16		fide offer to engage in a rental transaction from a
17	·	person;
18	(4)	To refuse to negotiate for a rental transaction with a
19		person;
20	(5)	To represent to a person that premises are not
21		available for inspection, rental, or lease when in

1		fact the premises are available, or to fail to bring a
2		property listing to the person's attention, or to
3		refuse to permit the person to inspect premises, or to
4		steer a person away from seeking to engage in a rental
5		transaction;
6	(6)	To offer, solicit, accept, use, or retain a listing of
7		premises with the understanding that a person may be
8		discriminated against in a rental transaction or in
9		the furnishing of facilities or services in connection
10		with a rental transaction; or
11	(7)	To discriminate against or deny a person access to, or
12		membership or participation in any multiple listing
13		service, or other service, organization, or facility
14		involved either directly or indirectly in rental
15		transactions, or to discriminate against any person in
16		the terms or conditions of access, membership, or
17		participation.
18	(b)	Nothing in this section shall be deemed to prohibit a
19	person fr	om determining the ability of a potential renter to pay
20	rent by:	

1	(1)	Verifying, in a commercially reasonable manner, the
2		source and amount of income of the potential renter;
3		<u>or</u>
4	(2)	Evaluating, in a commercially reasonable manner, the
5		stability, security, and credit worthiness of the
6		potential renter or any source of income of the
7		potential renter.
8	<u>§521</u>	- Restrictive covenants and conditions. (a) Every
9	provision	in an oral agreement or a written instrument relating
10	to premis	es that purports to forbid or restrict the occupancy or
11	lease the	reof to individuals because of source of income is
12	void.	
13	(b)	Every condition, restriction, or prohibition,
14	including	a right of entry or possibility of reverter, that
15	directly	or indirectly limits the use or occupancy of premises
16	on the ba	sis of source of income is void.
17	(c)	It is a discriminatory practice to insert in a written
18	instrumen	t relating to premises a provision that is void under
19	this sect	ion or to honor or attempt to honor such a provision in
20	the chain	of title.

1	§521	Blockbusting. It is a discriminatory practice for
2	a person	for the purpose of inducing a rental transaction from
3	which the	person may benefit financially, because of source of
4	income:	
5	(1)	To represent that a change has occurred or will or may
6		occur in the composition of the owners or occupants in
7		the block, neighborhood, or area in which the premises
8		are located; or
9	(2)	To represent that this change will or may result in
10		the lowering of property values, an increase in
11		criminal or antisocial behavior, or a decline in the
12		quality of schools in the block, neighborhood, or area
13		in which the premises are located.
14	<u>§521</u> -	Other discriminatory practices. It is a
15	discrimina	atory practice for a person, or for two or more persons
16	to conspin	<u>ce:</u>
17	(1)	To retaliate, threaten, or discriminate against a
18		person because of the exercise or enjoyment of any
19		right granted or protected by this chapter, or because
20		the person has opposed a discriminatory practice, or
21		because the person has made a charge, filed a

1		complaint, testified, assisted, or participated in an
2		investigation, proceeding, or hearing under this
3		chapter;
4	(2)	To aid, abet, incite, or coerce a person to engage in
5		a discriminatory practice;
6	(3)	To interfere with any person in the exercise or
7		enjoyment of any right granted or protected by this
8		chapter or with the performance of a duty or the
9		exercise of a power by any person or agency charged
10		with enforcing this chapter;
11	(4)	To obstruct or prevent a person from complying with
12		this chapter or an order issued pursuant to this
13		<pre>chapter;</pre>
14	<u>(5)</u>	To intimidate or threaten any person engaging in
15		activities designed to make other persons aware of, or
16		encouraging other persons to exercise rights granted
17		or protected by this chapter;
18	(6)	To threaten, intimidate, or interfere with persons in
19		their enjoyment of premises because of the source of
20		income of the persons, or of visitors or associates of
21		the persons; or

1	<u>(7)</u>	To print, circulate, post, or mail, or cause to be
2		published a statement, advertisement, or sign, or to
3		use a form of application for a rental transaction, or
4		to make a record or inquiry in connection with a
5		prospective rental transaction, that indicates,
6		directly or indirectly, an intent to make a limitation
7		or specification, or to discriminate because of source
8		of income."
9	SECTI	ON 3. Section 521-2; Hawaii Revised Statutes, is
10	amended by	adding two new definitions to be appropriately
11	inserted a	and to read as follows:
12	"Ren	ntal transaction" means any part of a process or
13	transactio	on for the rental or lease of premises.
14	"Sour	cce of income" means any lawful source of money paid
15	directly c	or indirectly to a tenant or potential tenant,
16	including:	_
17	(1)	Any lawful profession or occupation;
18	(2)	Any government or private assistance, grant, loan, or
19		rental assistance program, including low-income
20		housing assistance certificates and vouchers under the
21		United States Housing Act of 1937, as amended; and

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1 (3) Any gift, inheritance, pension, annuity, alimony,
2 child support, or other consideration or benefit."
3 SECTION 4. This Act does not affect rights and duties that
4 matured, penalties that were incurred, and proceedings that were
5 begun before its effective date.
6 SECTION 5. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2050.

# H.B. NO. <sup>25</sup> H.D. 1

### Report Title:

Discrimination in Rental Transactions; Source of Income

### Description:

Prohibits discrimination in the rental of real property based on lawful source of income. (HB25 HD1)

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