STAND. COM. REP. NO.

Honolulu, Hawaii **Februard 13**, 2015 RE: H.B. No. 270 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2015 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 270 entitled:

"A BILL FOR AN ACT RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE,"

begs leave to report as follows:

The purpose of this measure is to permit a landlord to use the security deposit for all charges agreed to by the tenant and the landlord in the rental agreement.

Your Committee received testimony in support of this measure from the Hawaii Association of Realtors. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that under existing law, a tenant's security deposit may only be used by a landlord to remedy specific tenant defaults, clean the dwelling unit, or compensate for certain damages to the dwelling unit. However, tenants typically have other obligations under their rental agreement such as utility charges, penalty assessments from condominium associations, and bank charges for returned checks. If tenants default on these other obligations, landlords are unable to use security deposits to cover these expenses. This measure will allow landlords to insert language into the rental agreement regarding these other obligations, thus allowing a landlord to use the security deposit to cover these unpaid charges, fees, and



STAND. COM. REP. NO. 223 Page 2

penalties, as agreed to by the tenant in the rental agreement, thus protecting their rights.

Your Committee has amended this measure by changing the effective date to July 1, 2112, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 270, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 270, H.D. 1, and be referred to the Committee on Judiciary.

HB270 HD1 HSCR LRB 15-1132-2.doc

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ANGUS L.K. MCKELVEY, Chair

**HSCR 223** 

## Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 270	Committee Referral: CPC, JUD	Date	2/4/2	015
The committee is reconsidering its pre	vious decision on the measure.			
	, unamended (as is) Pa short form bill with HD to reco	ss, with amendments ( ommit for future public		
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)				
2. WOODSON, Justin H. (VC)				
3. BELATTI, Della Au				
4. BROWER, Tom				
5. CREAGAN, Richard P.				
6. HAR, Sharon E.				
7. HASHEM, Mark J.				
8. KAWAKAMI, Derek S.K.				
9. LEE, Chris				
10. NAKASHIMA, Mark M.				
11. OSHIRO, Marcus R.				
12. SAN BUENAVENTURA, Joy A				
13. TAKAYAMA, Gregg	~			
14. YAMANE, Ryan I.				
15. FUKUMOTO CHANG, Beth				
16. MCDERMOTT, Bob				1
TOTAL (16)	12	0	$\bigcirc$	4
	opted  Not Adopt referral, committee acronym	did not suppor	rt recommendatio	n.
Vice Chair's or designee's signature: _		**		
Distribution: Original (White) – Comm	ittee Duplicate (Yellow) -	- Chief Clerk's Office	Duplicate (	Pink) – HMSO