

Honolulu, Hawaii

February 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



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.

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



ANGUS L.K. MCKELVEY, Chair



