

JAN 19 2017

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 housing rentals in Hawaii. This situation is more frustrating
4 when "no section 8 accepted" housing vacancy advertisements
5 prevent low-income individuals from being considered as renters.
6 Existing Hawaii laws 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 legislature further finds that landlords should not be
14 unreasonably burdened when renting under the Housing Choice
15 Voucher program and should be afforded certain exceptions for
16 untimely apartment reinspections and untimely transmission of
17 rent moneys by the government.



1 The purpose of this Act is to amend the landlord-tenant
2 code to prohibit discrimination based on lawful source of income
3 in rental transactions, including advertisements for available
4 rental units.

5 SECTION 2. Chapter 521, Hawaii Revised Statutes, is
6 amended by adding a new part to be appropriately designated and
7 to read as follows:

8 **"PART . DISCRIMINATION IN A RENTAL TRANSACTIONS**

9 **§521- Definitions.** As used in this part, unless the
10 context clearly requires otherwise:

11 "Rental transaction" means any part of the process or
12 transaction for the rental or lease of a premises.

13 "Source of income" means any lawful source of money paid
14 directly or indirectly to a tenant or potential tenant,
15 including:

- 16 (1) Any lawful profession or occupation;
- 17 (2) Any government or private assistance, grant, loan, or
18 rental assistance program, including low-income
19 housing assistance certificates and vouchers under the
20 United States Housing Act of 1937, as amended; and



1 (3) Any gift, inheritance, pension, annuity, alimony,
2 child support, or other consideration or benefit.

3 "Steer" means the practice of directing persons who seek to
4 enter into a rental transaction toward or away from the premises
5 to deprive them of the benefits of living in a discrimination-
6 free environment.

7 **§521- Discriminatory practices in a rental transaction.**

8 (a) In addition to the discriminatory practices provided in
9 section 515-3, it is a discriminatory practice for a person
10 engaging in a rental transaction subject to this part, because
11 of source of income:

12 (1) To refuse to engage in a rental transaction with a
13 person;

14 (2) To discriminate against a person in the terms,
15 conditions, or privileges of a rental transaction or
16 in the furnishing of facilities or services in
17 connection with a rental transaction;

18 (3) To refuse to receive or fail to transmit a bona fide
19 offer to engage in a rental transaction from a person;

20 (4) To refuse to negotiate for a rental transaction with a
21 person;



- 1 (5) To represent to a person that a premises is not
2 available for inspection, rental, or lease when in
3 fact the premises is available; fail to bring a
4 premises listing to the person's attention; refuse to
5 permit the person to inspect the premises; or steer a
6 person away from seeking to engage in a rental
7 transaction;
- 8 (6) To offer, solicit, accept, use, or retain a premises
9 listing with the understanding that a person may be
10 discriminated against in a rental transaction or in
11 the furnishing of facilities or services in connection
12 with a rental transaction; or
- 13 (7) To discriminate against or deny a person access to, or
14 membership or participation in any multiple listing
15 service or other service, organization, or facility
16 involved either directly or indirectly in rental
17 transactions; or to discriminate against any person in
18 the terms or conditions of access, membership, or
19 participation.



1 (b) Nothing in this section shall be deemed to prohibit a
2 person from determining the ability of a potential tenant to pay
3 rent by:

4 (1) Verifying, in a commercially reasonable manner, the
5 source and amount of income of the potential tenant;
6 or

7 (2) Evaluating, in a commercially reasonable manner, the
8 stability, security, and credit worthiness of the
9 potential tenant or any source of income of the
10 potential tenant.

11 **§521- Restrictive covenants and conditions.** (a) Every
12 provision in an oral agreement or a written instrument relating
13 to the premises that purports to forbid or restrict the
14 occupancy or lease thereof to persons because of source of
15 income is void.

16 (b) Every condition, restriction, or prohibition,
17 including a right of entry or possibility of reverter, that
18 directly or indirectly limits the use or occupancy of the
19 premises on the basis of source of income is void.

20 (c) It is a discriminatory practice to insert in a written
21 instrument relating to the premises a provision that is void



1 under this section or to honor or attempt to honor the provision
2 in the chain of title.

3 **§521- Blockbusting.** It is a discriminatory practice for
4 a person, for the purpose of inducing a rental transaction from
5 which the person may benefit financially, because of source of
6 income:

7 (1) To represent that a change has occurred, or will or
8 may occur in the composition of the owners or
9 occupants in the block, neighborhood, or area in which
10 the premises is located; or

11 (2) To represent that this change will or may result in
12 the lowering of property values, an increase in
13 criminal or antisocial behavior, or a decline in the
14 quality of schools in the block, neighborhood, or area
15 in which the premises is located.

16 **§521- Other discriminatory practices in a rental**
17 **transaction.** It is a discriminatory practice for a person, or
18 for two or more persons to conspire:

19 (1) To retaliate, threaten, or discriminate against a
20 person because:



- 1 (A) Of the exercise or enjoyment of any right granted
2 or protected by this part;
- 3 (B) The person has opposed a discriminatory practice;
4 or
- 5 (C) The person has made a charge, filed a complaint,
6 testified, assisted, or participated in an
7 investigation, proceeding, or hearing under this
8 chapter;
- 9 (2) To aid, abet, incite, or coerce a person to engage in
10 a discriminatory practice;
- 11 (3) To interfere with any person in the exercise or
12 enjoyment of any right granted or protected by this
13 part or with the performance of a duty or the exercise
14 of a power by any person or agency charged with
15 enforcing this part;
- 16 (4) To obstruct or prevent a person from complying with
17 this part or an order issued pursuant to this part;
- 18 (5) To intimidate or threaten any person engaging in
19 activities designed to make other persons aware of, or
20 encouraging other persons to exercise rights granted
21 or protected by this part;



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1 (6) To threaten, intimidate, or interfere with persons in
2 their enjoyment of the premises because of the source
3 of income of the persons, or of visitors or associates
4 of the persons; or

5 (7) To print, circulate, post, or mail, or cause to be
6 published a statement, advertisement, or sign; to use
7 a form of application for a rental transaction; or to
8 make a record or inquiry in connection with a
9 prospective rental transaction that indicates,
10 directly or indirectly, an intent to make a limitation
11 or specification, or to discriminate because of source
12 of income.

13 §521- **Exception; untimely dwelling unit reinspection.** A
14 landlord may discriminate on the basis of source of income when
15 the dwelling unit the landlord and potential tenant desire to
16 enter into a rental agreement fails the initial inspection
17 required for participation in a low-income housing assistance
18 certificate and voucher program under the United States Housing
19 Act of 1937, as amended, and the program fails to reinspect the
20 dwelling unit within three business days.



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Report Title:

Landlord-tenant Code; Discrimination in Rental Transactions;
Source of Income

Description:

Amends the landlord-tenant code to prohibit discrimination based on lawful source of income in rental transactions, including advertisements for available rental dwelling units.

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