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# A BILL FOR AN ACT

RELATING TO RENTAL DISCRIMINATION.

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

1           SECTION 1. The legislature finds that low-income  
2 individuals experience extreme difficulty in finding affordable  
3 rentals in Hawaii. This situation becomes all the more  
4 frustrating when housing vacancy advertisements proclaim "no  
5 Section 8 accepted" or "Section 8 need not apply" in an effort  
6 to prevent low-income individuals with housing vouchers from  
7 being considered as tenants. News reports, locally and  
8 nationally, have documented that prospective tenants are often  
9 rejected by landlords due to their use of housing vouchers or  
10 other forms of housing assistance, or based on requirements for  
11 participation in a housing program.

12           The legislature further finds that studies have shown that  
13 when there are laws to prevent discrimination against renters  
14 with housing vouchers, such renters are twelve per cent more  
15 likely to find housing. Discrimination against housing voucher  
16 holders and recipients of other housing assistance programs,  
17 often termed "source of income" discrimination, is prohibited in



1 about a dozen states and the District of Columbia, as well as  
2 numerous cities and counties throughout the United States.  
3 Further, the American Bar Association adopted a resolution in  
4 2017 calling for enactment of laws that ban housing  
5 discrimination based on lawful sources of income. Hawaii law  
6 currently does not prohibit housing discrimination based on  
7 lawful sources of income.

8 The legislature notes that source of income laws do not  
9 alter or restrict the standard industry practices to vet  
10 prospective renters. Rather, these laws prohibit landlords from  
11 rejecting prospective renters who receive housing vouchers or  
12 other housing assistance simply because of the voucher or  
13 assistance. The legislature believes that renters who  
14 participate in housing assistance programs, such as the federal  
15 housing choice voucher program, also known as section 8 housing,  
16 should have an equal opportunity to find housing.

17 The legislature further finds that allowing landlords to  
18 consider a rental applicant's source of income also functions as  
19 a proxy for discrimination against women. Prior to the  
20 coronavirus disease 2019 (COVID-19) pandemic, nationally eighty-  
21 three per cent of households participating in Section 8 voucher



1 program were led by women. Currently, there are more than  
2 22,000 single mothers in Hawaii, and ninety-two per cent of  
3 single mothers surveyed during the COVID-19 pandemic reported  
4 that they have lost financial independence due to the economic  
5 crisis.

6 The purpose of this Act is to prohibit discrimination,  
7 including in advertisements for available real property, based  
8 on participation in a housing assistance program, or  
9 requirements related to participation in housing assistance  
10 programs, in rental transactions and requirements.

11 SECTION 2. The Hawaii Revised Statutes is amended by  
12 adding a new chapter to be appropriately designated and to read  
13 as follows:

14 "CHAPTER

15 SOURCE OF INCOME DISCRIMINATION IN HOUSING

16 § -1 Definitions. As used in this chapter, unless the  
17 context clearly requires otherwise:

18 "Housing assistance program" means any government  
19 assistance, government grant, government loan, or government  
20 rental assistance program, including low-income housing

1 assistance certificates and vouchers under the United States  
2 Housing Act of 1937, as amended.

3 "Rental transaction" means any part of the process or  
4 transaction for the rental or lease of a premises for  
5 residential purposes.

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

10 § -2 Discriminatory practices. (a) It is a  
11 discriminatory practice for an owner or any other person  
12 engaging in a rental transaction, or for a real estate broker or  
13 salesperson, because of participation in a housing assistance  
14 program or requirements related to participation in a housing  
15 assistance program to:

16 (1) Refuse to engage in a rental transaction with a person  
17 or expel or otherwise refuse to continue to rent to a  
18 current tenant;

19 (2) Discriminate against a person in the terms,  
20 conditions, or privileges of a rental transaction or



- 1 in the furnishing of facilities or services in  
2 connection with a rental transaction;
- 3 (3) Refuse to receive or to fail to transmit a bona fide  
4 offer to engage in a rental transaction from a person;
- 5 (4) Refuse to negotiate for a rental transaction with a  
6 person;
- 7 (5) Represent to a person that real property is not  
8 available for inspection, sale, rental, or lease when  
9 in fact it is available, or to fail to bring a  
10 property listing to the person's attention, or to  
11 refuse to permit the person to inspect real property,  
12 or to steer a person seeking to engage in a rental  
13 transaction;
- 14 (6) Offer, solicit, accept, use, or retain a listing of  
15 real property with the understanding that a person may  
16 be discriminated against in a rental transaction or in  
17 the furnishing of facilities or services in connection  
18 with a rental transaction; or
- 19 (7) Discriminate against or deny a person access to, or  
20 membership or participation in any multiple listing  
21 service, real estate broker's organization, or other



1 service, organization, or facility involved either  
2 directly or indirectly in rental transactions, or to  
3 discriminate against any person in the terms or  
4 conditions of access, membership, or participation.

5 (b) Nothing in this section shall be deemed to prohibit a  
6 person from determining the ability of a potential buyer or  
7 renter to pay a purchase price or rent by:

8 (1) Verifying, in a commercially reasonable manner, the  
9 source and amount of income of the potential buyer or  
10 renter; or

11 (2) Evaluating, in a commercially reasonable manner, the  
12 stability, security, and credit worthiness of the  
13 potential buyer or renter or any source of income of  
14 the potential buyer or renter.

15 As used in this section, "source of income" includes  
16 benefits or subsidy programs including housing assistance,  
17 public assistance, emergency rental assistance, veterans  
18 benefits, social security, supplemental security income or other  
19 retirement programs, and other programs administered by any  
20 federal, state, local, or nonprofit entity. "Source of income"  
21 does not include income derived in an illegal manner.



1           §   -3 **Blockbusting.** It is a discriminatory practice for  
 2 a person, representative of a person, or a real estate broker or  
 3 salesperson, for the purpose of inducing a rental transaction  
 4 from which the person, representative, or real estate broker or  
 5 salesperson may benefit financially, because of participation in  
 6 a housing assistance program or requirements related to  
 7 participation in a housing assistance program to represent that:

8           (1) A change has occurred or will or may occur in the  
 9 composition of the owners or occupants in the block,  
 10 neighborhood, or area in which the real property is  
 11 located; or

12           (2) This change will or may result in the lowering of  
 13 property values, an increase in criminal or antisocial  
 14 behavior, or a decline in the quality of schools in  
 15 the block, neighborhood, or area in which the real  
 16 property is located.

17           §   -4 **Other discriminatory practices.** It is a  
 18 discriminatory practice for a person, or for two or more persons  
 19 to conspire to:

20           (1) Retaliate, threaten, or discriminate against a person  
 21 because of the exercise or enjoyment of any right



1 granted or protected by this chapter, or because the  
2 person has opposed a discriminatory practice, or  
3 because the person has made a charge, filed a  
4 complaint, testified, assisted, or participated in an  
5 investigation, proceeding, or hearing under this  
6 chapter;

7 (2) Aid, abet, incite, or coerce a person to engage in a  
8 discriminatory practice;

9 (3) Interfere with any person in the exercise or enjoyment  
10 of any right granted or protected by this chapter or  
11 with the performance of a duty or the exercise of a  
12 power by the commission;

13 (4) Obstruct or prevent a person from complying with this  
14 chapter or an order issued pursuant to this chapter;

15 (5) Intimidate or threaten any person engaging in  
16 activities designed to make other persons aware of, or  
17 encouraging such other persons to exercise rights  
18 granted or protected by this chapter;

19 (6) Threaten, intimidate, or interfere with persons in  
20 their enjoyment of a housing accommodation because of  
21 participation in a housing assistance program or



1 requirements related to participation in a housing  
 2 assistance program; or  
 3 (7) Print, circulate, post, mail, or cause to be published  
 4 a statement, advertisement, or sign, or to use a form  
 5 of application for a rental transaction, or to make a  
 6 record or inquiry in connection with a prospective  
 7 rental transaction, that indicates, directly or  
 8 indirectly, an intent to make a limitation or  
 9 specification, or to discriminate because of  
 10 participation in a housing assistance program or  
 11 requirements related to participation in a housing  
 12 assistance program.

13 § -5 Remedies for discrimination based on participation  
 14 in a housing assistance program. (a) If a person engaging in a  
 15 rental transaction engages in a discriminatory practice based on  
 16 participation in a housing assistance program or requirements  
 17 related to participation in a housing assistance program in  
 18 violation of this chapter, any aggrieved person may bring a  
 19 civil action in district court for appropriate injunctive relief  
 20 within one year of the occurrence of the discriminatory  
 21 violation.



1 (b) In an action brought pursuant to subsection (a), a  
2 district court:

3 (1) May issue an injunction to enjoin violation of this  
4 chapter in regard to discriminatory practices based on  
5 participation in a housing assistance program or  
6 requirements related to participation in a housing  
7 assistance program; and

8 (2) In any case in which it issues an injunction pursuant  
9 to paragraph (1), may also assess a fine not to exceed  
10 \$5,000 and award reasonable attorney's fees incurred  
11 in the civil action."

12 SECTION 3. Chapter 356D, Hawaii Revised Statutes, is  
13 amended by adding a new section to be appropriately designated  
14 and to read as follows:

15 "§356D- \_\_\_\_\_ Landlord incentive program special fund;  
16 established. (a) There is established in the state treasury  
17 the landlord incentive program special fund into which shall be  
18 deposited all appropriations made by the legislature to the  
19 special fund, grants, gifts, and interest on moneys therein.

20 (b) The landlord incentive program special fund shall be  
21 administered by the authority. Moneys in the special fund shall



1 be used to reimburse land owners who participate in the section  
2 8 housing choice voucher program to cover repair costs of  
3 tenant-caused property damage when the repair costs exceed the  
4 tenant's security deposit."

5 SECTION 4. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$100,000 or so much  
7 thereof as may be necessary for fiscal year 2021-2022 and the  
8 same sum or so much thereof as may be necessary for fiscal year  
9 2022-2023 to be deposited into the landlord incentive program  
10 special fund established pursuant to §356D- , Hawaii Revised  
11 Statutes.

12 SECTION 5. There is appropriated out of the landlord  
13 incentive program special fund established pursuant to §356D- ,  
14 Hawaii Revised Statutes, the sum of \$100,000 or so much thereof  
15 as may be necessary for fiscal year 2021-2022 and the same sum  
16 or so much thereof as may be necessary for fiscal year 2022-2023  
17 for the landlord incentive program.

18 The sums appropriated shall be expended by the Hawaii  
19 public housing authority for the purposes of this Act.

20 SECTION 6. The Hawaii civil rights commission shall  
21 produce materials related to this Act and publicize the



1 prohibition against discrimination based on participation in  
2 housing assistance programs or requirements related to  
3 participation in housing assistance programs.

4 SECTION 7. This Act does not affect rights and duties that  
5 matured, penalties that were incurred, and proceedings that were  
6 begun before its effective date.

7 SECTION 8. New statutory material is underscored.

8 SECTION 9. This Act shall take effect upon its approval.



**Report Title:**

Real Property Discrimination; Housing Assistance Program; Hawaii Public Housing Authority; Landlord Incentive Program Special Fund; Appropriation

**Description:**

Prohibits discrimination, including in advertisements for available real property, based on participation in a housing assistance program, or requirements related to participation in housing assistance programs, in rental transactions and requirements. Establishes the landlord incentive program special fund to reimburse land owners who participate in the section 8 housing choice voucher program for repair costs of tenant-caused property damage when the repair costs exceed the tenant's security deposit. Makes an appropriation. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

