

JAN 21 2022

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 the federal housing
2 choice voucher program, also known as section 8 of the United
3 States Housing Act of 1937, as amended, provides federally-
4 funded, tenant-based vouchers to low-income households that are
5 responsible for finding appropriate rental units in the private
6 market. Once a household receives a section 8 voucher, the
7 challenge is finding a landlord who is willing to accept the
8 voucher. The legislature believes that renters who participate
9 in housing assistance programs, such as section 8, should have
10 an equal opportunity to find housing and should not be
11 discriminated against because their source of income includes
12 funds from housing assistance programs.

13 Studies have shown that when there are laws that prevent
14 discrimination against renters with housing assistance vouchers,
15 these renters are twelve per cent more likely to find housing.
16 The American Bar Association adopted a resolution in 2017 that
17 called for the enactment of laws that ban housing discrimination



1 based on lawful sources of income. The legislature notes that
2 source of income discrimination laws do not alter or restrict
3 standard industry practices to vet prospective renters. Rather,
4 these laws prohibit landlords from rejecting prospective renters
5 who receive section 8 vouchers or other housing assistance
6 simply because of the voucher or assistance.

7 The legislature further finds that ten states, the District
8 of Columbia, fourteen counties, and fifty-six major cities
9 across the country have laws that prohibit source of income
10 discrimination in housing. Honolulu is one of the largest
11 cities in the United States that does not prohibit source of
12 income discrimination in housing.

13 The legislature also finds that low-income individuals
14 experience extreme difficulty in finding affordable rentals in
15 Hawaii. Prior to the coronavirus disease 2019 (COVID-19)
16 pandemic, local and national news reports documented that
17 prospective tenants are often rejected by landlords due to their
18 use of section 8 vouchers or other forms of housing assistance
19 or based on requirements for participation in a housing
20 assistance program. This situation becomes all the more
21 frustrating when housing vacancy advertisements state, "No



1 section 8 accepted," or "Section 8 need not apply" in an effort
2 to prevent low-income individuals receiving housing assistance
3 from being considered as tenants.

4 The legislature additionally finds that the COVID-19
5 pandemic and resulting economic conditions have impacted many
6 residents' ability to pay their rent. An August 2020 survey of
7 two hundred seventy-one landlords and property managers
8 statewide conducted by the University of Hawaii economic
9 research organization indicated that more than nine thousand
10 households were two months or more behind in rent, and more
11 tenants were thirty days behind in rent than prior to the
12 pandemic.

13 The legislature further finds that prior to the pandemic,
14 nationally, eighty-three per cent of households participating in
15 section 8, were led by women. Currently, there are more than
16 twenty-two thousand single mothers in Hawaii. A survey of
17 single mothers in Hawaii taken during the COVID-19 pandemic,
18 reported that over ninety per cent reported losing their
19 financial independence due to the economic crisis. Allowing
20 landlords to consider a rental applicant's source of income can



1 also function as a proxy for discrimination against single
2 mothers.

3 The purpose of this Act is to prohibit discrimination,
4 including in advertisements for rental property, in rental
5 transactions based on participation in a section 8 housing
6 choice voucher program or any permanent supportive housing
7 program or requirements related to participation in these
8 housing assistance programs.

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

12 **"CHAPTER**

13 **RENTAL DISCRIMINATION BASED ON SOURCE OF INCOME**

14 § -1 **Definitions.** As used in this chapter, unless the
15 context clearly requires otherwise:

16 "Housing assistance program" means a section 8 housing
17 choice voucher program or any permanent supportive housing
18 program.

19 "Rental transaction" means any part of the process for the
20 rental or lease of a premises for residential purposes.



1 § -2 Discriminatory practices in a rental transaction
2 based on source of income. (a) It shall be a discriminatory
3 practice for a landlord to:

4 (1) Indicate in any manner used to advertise the
5 availability of a rental property that the landlord
6 will not rent a property to a person participating in
7 a housing assistance program;

8 (2) Discourage in any manner a person from seeking to
9 engage in a rental transaction based on the person's
10 participation in a housing assistance program;

11 (3) Refuse to engage in a rental transaction with a person
12 because of the person's participation in a housing
13 assistance program or requirements related to
14 participation in a housing assistance program; or

15 (4) Require rental conditions that are different from
16 those required for a person not participating in a
17 housing assistance program.

18 (b) Nothing in this section shall be deemed to prohibit a
19 landlord from determining in a commercially reasonable manner
20 the ability of a potential tenant to pay rent by:



- 1 (1) Verifying the source and amount of income of the
- 2 potential tenant; or
- 3 (2) Evaluating the stability, security, and
- 4 creditworthiness of the potential tenant or any source
- 5 of income of the potential tenant.

6 § -3 Remedies. (a) Any individual claiming to be

7 aggrieved by an alleged unlawful discriminatory practice by a

8 landlord may bring a civil action in district court within one

9 year of the occurrence of the alleged violation for appropriate

10 injunctive relief and damages.

11 (b) In an action brought pursuant to subsection (a), a

12 district court may issue an injunction to enjoin a violation of

13 this chapter. If the court issues an injunction, the court may

14 also award damages not to exceed \$2,500 to the person bringing

15 the action, and reasonable attorney's fees and costs incurred in

16 the civil action."

17 SECTION 3. There is appropriated out of the general

18 revenues of the State of Hawaii the sum of \$ or so

19 much thereof as may be necessary for fiscal year 2022-2023 to be

20 deposited into the state low-income housing revolving fund.



1 SECTION 4. There is appropriated out of the state low-
2 income housing revolving fund the sum of \$ or so much
3 thereof as may be necessary for fiscal year 2022-2023 for
4 damages expenses of rental properties that exceed security
5 deposit amounts.

6 The sum appropriated shall be expended by the Hawaii public
7 housing authority for the purposes of this Act.

8 SECTION 5. This Act does not affect rights and duties that
9 matured, penalties that were incurred, and proceedings that were
10 begun before its effective date.

11 SECTION 6. This Act shall take effect on July 1, 2022.

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INTRODUCED BY:

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S.B. NO. 2314

Report Title:

Permanent Supportive Housing; Source of Income; Rental Discrimination; Prohibited Practices; Housing Assistance Program; Section 8 Housing Choice Vouchers; Appropriation

Description:

Prohibits discrimination, including in advertisements for rental property, in rental transactions based on participation in a section 8 housing choice program or any permanent supportive housing program or requirements related to participation in these housing assistance programs. Appropriates funds.

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

