H.B. NO. 524

## A BILL FOR AN ACT

RELATING TO THE LANDLORD-TENANT CODE.

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

1 SECTION 1. The legislature finds that the State has one of 2 the highest percentages of renter households in the nation, with forty-three per cent of households consisting of renters. 3 The legislature recognizes that the State also has the least amount 4 of affordable housing in the nation, resulting in thousands of 5 families in Hawai'i, many whom are already facing eviction, being 6 unable to find alternative housing. The legislature further 7 8 recognizes that evictions increase homelessness, unemployment, 9 crime, and mental and physical illness. Further, children who experience the trauma of an eviction often show signs of slower 10 academic progress and other developmental impairments. 11 Additionally, each eviction results in significant financial and 12 13 social costs to the evicted household and the surrounding 14 community.

15 The legislature believes that eviction procedures must 16 carefully balance the landlord's need for sufficient enforcement 17 against the tenant's need for sufficient protection. The



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legislature further finds that without adequate safeguards, 1 tenants become targets for abuse during these eviction 2 3 proceedings. Currently, the residential landlord-tenant code 4 makes it difficult for tenants to defend themselves against wrongful evictions. While the code clearly outlines landlords' 5 6 responsibilities, it fails to provide tenants with suitable 7 methods of recourse and ways to hold landlords accountable in 8 various situations.

9 The legislature notes that leases, like other contracts, are reciprocal. The Hawai'i Supreme Court has held that 10 11 landlords cannot require a tenant to pay rent if the tenant does 12 not receive the basic services to which they are entitled. While many states have passed laws specifying that tenants 13 cannot be forced to pay rent for uninhabitable premises, the 14 15 legislature has failed to formally recognize this principle, 16 resulting in a lack of enforcement and numerous unjust and illegitimate evictions. 17

18 The legislature acknowledges that landlords are prohibited 19 from retaliating against tenants who request repairs to their 20 respective homes or complain about health or safety code 21 violations. However, although the residential landlord-tenant



code quarantees compensation for other landlord offenses, it 1 also places on the tenant the burden of proving entitlement to 2 compensation for a landlord's retaliation. The result is often 3 that tenants who have been retaliated against are not made 4 whole, allowing landlords to continue these retaliatory 5 6 practices. 7 Accordingly, the purpose of this Act is to: Prohibit landlords from recovering possession of 8 (1) dwelling units from tenants if habitability of 9 premises is significantly impaired; 10 (2) Set a tenant's liability for rent if habitability of 11 premises is significantly impaired; and 12 Provide remedies for unlawful retaliatory evictions. 13 (3) SECTION 2. Section 521-42, Hawaii Revised Statutes, is 14 amended to read as follows: 15 "§521-42 Landlord to supply and maintain fit premises. 16 The landlord shall at all times during the tenancy: 17 (a) 18 (1) Comply with all applicable building and housing laws materially affecting health and safety; 19 (2) Keep common areas of a multi-dwelling unit premises in 20 a clean and safe condition; 21



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1 (3) Make all repairs and arrangements necessary to put and 2 keep the premises in a habitable condition; 3 (4)Maintain all electrical, plumbing, and other facilities and appliances supplied by the landlord in 4 good working order and condition, subject to 5 reasonable wear and tear; 6 7 Except in the case of a single family residence, (5) provide and maintain appropriate receptacles and 8 conveniences for the removal of normal amounts of 9 rubbish and garbage, and arrange for the frequent 10 removal of such waste materials; and 11 Except in the case of a single family residence, or 12 (6) where the building is not required by law to be 13 14 equipped for the purpose, provide for the supplying of running water as reasonably required by the tenant. 15 Prior to the initial date of initial occupancy, the 16 landlord shall inventory the premises and make a written record 17 18 detailing the condition of the premises and any furnishings or appliances provided. Duplicate copies of this inventory shall 19 be signed by the landlord and by the tenant and a copy given to 20 each tenant. In an action arising under this section, the 21



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executed copy of the inventory shall be presumed to be correct.
 If the landlord fails to make such an inventory and written
 record, the condition of the premises and any furnishings or
 appliances provided, upon the termination of the tenancy, shall
 be rebuttably presumed to be the same as when the tenant first
 occupied the premises.

7 (b) The landlord and tenant may agree that the tenant is
8 to perform specified repairs, maintenance tasks, and minor
9 remodeling only if:

10 (1) The agreement of the landlord and tenant is entered into in good faith and is not for the purpose of 11 12 evading the obligations of the landlord; The work to be performed by the tenant is not 13 (2) 14 necessary to cure noncompliance by the landlord with 15 The agreement of the landlord and tenant does not 16 (3) 17 diminish the obligations of the landlord to other 18 tenants. 19 (c) If a landlord's failure to materially comply with 20 subsection (a) results in a significant impairment to the

21 habitability of the premises:



1	(1)	No action or proceeding to recover possession of the
2		dwelling unit may be maintained against the tenant,
3		nor shall the landlord otherwise cause the tenant to
4		be removed from the dwelling unit involuntarily;
5		provided that:
6		(A) The tenant continues to pay rent equal to the
7		fair rental value of the premises or the agreed
8		upon rent, whichever is less; and
9		(B) The landlord's ability to recover possession of
10		the unit is restored upon:
11		(i) Termination of the rental agreement in
12		accordance with law or terms of the
13		agreement; or
14		(ii) Restoration of the premises to a habitable
15		condition,
16		whichever comes first; and
17	(2)	The tenant's liability for rent, from the date of
18		significant impairment, shall not exceed the fair
19		rental value of the premises."
20	SECT	TON 3. Section 521-74, Hawaii Revised Statutes, is
21	amended b	y amending subsection (c) to read as follows:



"(c) Any tenant from whom possession has been recovered or 1 who has been otherwise involuntarily dispossessed, in violation 2 of this section, is entitled to recover the damages sustained by 3 the tenant in an amount equal to two months' rent, and the cost 4 of suit, including reasonable attorney's fees." 5

6 SECTION 4. This Act does not affect rights and duties that 7 matured, penalties that were incurred, and proceedings that were 8 begun before its effective date.

9 SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored. 10

11 SECTION 6. This Act shall take effect on July 1, 2023.

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INTRODUCED BY: Makeshi

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Report Title:

Landlord-Tenant Code; Habitability; Retaliatory Evictions

#### Description:

Prohibits landlords from recovering possession of a dwelling unit from tenants if habitability of the premises is significantly impaired. Sets a tenant's liability for rent if habitability of the premises is significantly impaired. Provides remedies for retaliatory evictions.

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