

STAND. COM. REP. NO. 2300

Honolulu, Hawaii

**FEB 13 2024**

RE: S.B. No. 2762  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2762 entitled:

"A BILL FOR AN ACT RELATING TO RENT CONTROL,"

begs leave to report as follows:

The purpose and intent of this measure is to prohibit, for any county having a population greater than 120,000 but less than 180,000, a landlord from renting or leasing, or offering to rent or lease, a dwelling unit at a rate that exceeds the rate for which that dwelling unit was rented or leased or offered for rent or lease on the measure's effective date, to be repealed on December 31, 2025.

Your Committee received testimony in support of this measure from Lahaina Strong; the Democratic Party of Hawai'i, UNITE HERE Local 5; Hawaii Financial Services, LLC; and seventy-one individuals.

Your Committee received testimony in opposition to this measure from the Hawaii Young Republicans and two individuals.

Your Committee received comments on this measure from the Department of the Attorney General, Hawai'i Association of REALTORS, and Grassroot Institute of Hawaii.



Your Committee finds that establishing rent ceilings, or the maximum amount of rent a landlord is allowed to charge a tenant, for a limited duration can help provide stability, affordability, and expedient relief for renters in crisis, such as renters that are experiencing a housing shortage as a result of a natural disaster. Therefore, this measure establishes a rent ceiling for certain counties, to be set at the rate at which that dwelling unit was rented or leased or offered for rent or lease on the measure's effective date, to be repealed on December 31, 2025.

Notwithstanding, your Committee has heard the concerns raised in the Department of the Attorney General's testimony that this measure may be susceptible to certain constitutional challenges and that the use of session law as a vehicle for the prohibition on rent increases, as opposed to incorporating the provisions in statute, may create notice issues for the measure. Amendments to this measure are therefore necessary to address these concerns.

Accordingly, your Committee has amended this measure by:

- (1) Inserting legislative findings;
- (2) Deleting language that would have set forth the prohibition on rent increases in session law and inserting language that would codify the prohibition as a new section under chapter 521, Hawaii Revised Statutes, relating to the Residential Landlord-Tenant Code;
- (3) Inserting certain conditional exceptions to the proposed prohibition on rent increases;
- (4) Requiring the rent rate ceiling to be established by appropriate county council resolution, rather than the rate for which the dwelling unit was rented or leased, or was offered for rent or lease, on the measure's effective date;
- (5) Extending the measure's proposed repeal date from December 31, 2025 to July 1, 2029;
- (6) Inserting an effective date of July 1, 2030, to encourage further discussion; and



- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2762, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2762, S.D. 1, and be referred to your Committee on Judiciary.

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



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JARRETT KEOHOKALOLE, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <i>SB 2762</i>	Committee Referral: <i>CPN JDC</i>	Date: <i>1/31/24</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"				✓
AWA, Brenton	✓			
<b>TOTAL</b>	<b>4</b>			<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes