

ACT 310

S.B. NO. 206

A Bill for an Act Relating to Rental Discrimination.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that the federal housing choice voucher program, also known as section 8 of the United States Housing Act of 1937, as amended, provides federally-funded, tenant-based vouchers to low-income households who are responsible for finding appropriate rental units in the private market. Once a household receives a section 8 voucher, the challenge is finding a landlord who is willing to accept the voucher. The legislature believes that renters who participate in housing assistance programs, such as section 8, should have an equal opportunity to find housing and should not be discriminated against because their source of income includes funds from housing assistance programs.

Studies have shown that when there are laws that prevent discrimination against renters with housing assistance vouchers, these renters are twelve per cent more likely to find housing. The American Bar Association adopted a resolution in 2017 that called for the enactment of laws that ban housing discrimination based on lawful sources of income. The legislature notes that source of income discrimination laws do not alter or restrict standard industry practices to vet prospective renters. Rather, these laws prohibit landlords from rejecting prospective renters who receive section 8 vouchers or other housing assistance simply because of the voucher or assistance.

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

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

“CHAPTER

RENTAL DISCRIMINATION BASED ON SOURCE OF INCOME

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

“Housing assistance program” means a section 8 housing choice voucher program or any permanent supportive housing program.

“Rental transaction” means any part of the process for the rental or lease of a premises for residential purposes.

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

- (1) Indicate in any manner used to advertise the availability of a rental property that the landlord will not rent a property to a person participating in a housing assistance program;
- (2) Discourage in any manner a person from seeking to engage in a rental transaction based on the person’s participation in a housing assistance program;
- (3) Refuse to engage in a rental transaction with a person because of the person’s participation in a housing assistance program or requirements related to participation in a housing assistance program; or

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

§ -3 Exemptions. Section -2 shall not apply to:

- (1) Landlords who are determining in a commercially reasonable manner the ability of a potential tenant to pay rent by:
 - (A) Verifying the source and amount of income of the potential tenant; or
 - (B) Evaluating the stability, security, and creditworthiness of the potential tenant or any source of income of the potential tenant;
- (2) Landlords with ownership of not more than four dwelling units in the State at the time of the alleged discriminatory rental transaction; provided that this paragraph shall not apply if an owner, whether individually or through a business entity, owns more than a ten per cent interest in more than four dwelling units in the State at the time of the alleged discriminatory rental transaction;
- (3) Landlords in a case where a source of income is not approved within twenty-one days of a person's submission of a good faith request for tenancy approval, which shall include the inspection of a unit;
- (4) The rental of any housing accommodation in a building that contains housing accommodations for not more than two families living independently of each other if the owner or lessor resides in one of the housing accommodations;
- (5) The rental of a room or up to four rooms in a housing accommodation by an owner or lessor if the owner or lessor resides in the housing accommodation; and
- (6) The rental of an affordable housing project subsidized by public funds or lands.

§ -4 Remedies. (a) A landlord that violates any provisions of this chapter may be subject to a civil penalty in an amount not to exceed \$2,000 if determined by the court to have violated this chapter for the first time within one year of the occurrence of the alleged violation.

(b) The court may impose a \$2,500 penalty against a landlord for any subsequent violation of this chapter by the landlord.

(c) The court may also order any injunctive or other equitable relief as it deems proper.

(d) No landlord shall be fined more than once for the same violation under this section.

(e) No party shall be awarded attorney's fees or costs in any action under this section.

(f) All fines collected under this section shall be deposited into general fund."

SECTION 3. The Hawaii public housing authority and the Hawaii civil rights commission shall produce and make available informational materials for the purpose of providing notice of specific rights and obligations pursuant to this Act and widely publicize the prohibition against discrimination based on source of income.

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

SECTION 5. This Act shall take effect upon its approval; provided that section 2 of this Act shall take effect on May 1, 2023.

(Approved July 12, 2022.)