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# SENATE CONCURRENT RESOLUTION

REQUESTING THAT THE LEGISLATIVE REFERENCE BUREAU STUDY THE  
CONSTITUTIONALITY, LEGALITY, AND EFFECTIVENESS OF RENT  
CONTROL IN JURISDICTIONS WHERE RENT CONTROL HAS BEEN  
ESTABLISHED.

1           WHEREAS, rents for residential property can rise  
2 drastically during times when housing is in short supply and the  
3 economy is strong; and

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5           WHEREAS, in economics and law, rent control refers to the  
6 government regulation of rent to prevent unreasonable or  
7 excessive increases; and

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9           WHEREAS, in the United States, the federal government  
10 imposed rent control (and other price controls) during World War  
11 Two, and continued it in several cities after the war because of  
12 housing shortages; and

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14           WHEREAS, rent control was later turned over to the control  
15 of individual states and municipalities and has since ended in  
16 most locations; and

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18           WHEREAS, proponents of rent control claim that it is  
19 necessary to prevent landlords from imposing rent increases that  
20 force the elderly and the poor to move, on the grounds that  
21 housing is an inalienable human right that is equal to the  
22 rights of landlords; and

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24           WHEREAS, other advocates of rent control claim that  
25 maintaining a supply of affordable housing is essential to  
26 sustaining job growth, and to maintaining a community that  
27 includes senior citizens and people of all income groups; and

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29           WHEREAS, homeowners who support rent control point to the  
30 neighborhood instability caused by high or frequent rent  
31 increases and the effect on schools, youth groups, and community  
32 organizations when tenants move frequently; and



1           WHEREAS, opponents of rent control claim that rent control  
2 can create housing shortages, resulting in an overall decrease  
3 in the quality of housing stock in a city, and that the benefits  
4 of rent control accrue disproportionately to the wealthy and  
5 well-connected; and

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7           WHEREAS, opponents of rent control argue that the goal of  
8 making housing affordable and available to the poor can be  
9 accomplished by the same free market that created the housing  
10 units in the first place, or by government construction or  
11 subsidy of affordable housing projects; and

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13           WHEREAS, opponents of rent control see rent control as a  
14 violation of the landlords' property rights that limits their  
15 ability to sell their rent controlled property, thus essentially  
16 forcing landlords to put their property to work for the state  
17 without recourse; and

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19           WHEREAS, regulation of real property is a fact of life in  
20 modern societies, and landlords and their organizations actively  
21 use their recourse to legislatures to assert that the government  
22 has taken landlords' property without compensation, although  
23 courts generally have found that unconstitutional takings have  
24 not occurred; and

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26           WHEREAS, while the political debate over rent control is  
27 far-reaching, the purposes and provisions of rent control laws  
28 are intended to be limited in scope, and the frequency and  
29 degree of rent increases are limited, usually to the rate of  
30 inflation; and

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32           WHEREAS, under rent control landlords may pass along the  
33 costs of capital improvements to their properties, and tenants  
34 may be able to claim that decreased services or the lack of  
35 necessary repairs offset additional increases or justify a rent  
36 reduction; now, therefore,

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38           BE IT RESOLVED by the Senate of the Twenty-third  
39 Legislature of the State of Hawaii, Regular Session of 2006, the  
40 House of Representatives concurring, that the Legislative  
41 Reference Bureau study the constitutionality, legality, and  
42 effectiveness of rent control in jurisdictions where rent  
43 control has been established; and



1 BE IT FURTHER RESOLVED that in its study of rent control,  
 2 the Legislative Reference Bureau consider the feasibility and  
 3 potential effectiveness of enacting and implementing rent  
 4 control measures in Hawaii; and

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 6 BE IT FURTHER RESOLVED that the Legislative Reference  
 7 Bureau report its findings and conclusions to the Legislature  
 8 twenty days before the convening of the Regular Session of 2007;  
 9 and

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 11 BE IT FURTHER RESOLVED that certified copies of this  
 12 Concurrent Resolution be transmitted to the Acting Director of  
 13 the Legislative Reference Bureau and the Executive Director of  
 14 the Housing and Community Development Corporation of Hawaii.

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OFFERED BY: *Franne Chun Adair*

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