



NARPM – Oahu Chapter
2131 S. Beretania Street, Suite 204
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February 1, 2008

The Honorable Russell S. Kokubun, Chair
Senate Committee on Commerce, Consumer Protection, and
Affordable Housing
State Capitol, Room 229
Honolulu, Hawaii 96813

RE: S.B. 2854 Relating to Rental Security Deposits
Hearing Date: February 4, 2008 @ 9:00 a.m., Room 229

Dear Chair Kokubun and members of the Senate Committee on Commerce, Consumer Protection,
and & Affordable Housing,

On behalf of the Oahu Chapter of the National Association of Residential Property Managers (NARPM), who is a group of professional property managers conducting property management on the island of Oahu, we are strongly opposed to S.B. 2854.

It seems that this bill will require modification of existing rental agreements to accommodate the description of common areas that are inherent in various types of properties. There may also be a need to add declarations and by-laws of Associations of Apartment Owners along with the rental agreements. This will mean that the tenant will have additional requirements to comply with – adding another layer of difficulty and possible misunderstanding on the part of the tenant.

Based on these issues, the Oahu Chapter of NARPM would like to respectfully ask that S.B 2854 be deferred indefinitely.

Thank you for the opportunity to testify.



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February 1, 2008

The Honorable Russell S. Kokubun, Chair
Senate Committee on Commerce, Consumer Protection, and
Affordable Housing
State Capitol, Room 229
Honolulu, Hawaii 96813

RE: S.B. 2854 Relating to Property
Hearing Date: February 4, 2008 @ 9:00 a.m., Room 229

Dear Chair Kokubun and members of the Senate Committee on Commerce, Consumer Protection, and & Affordable Housing,

On behalf of our 10,000 members in Hawaii, the Hawaii Association of REALTORS® (HAR) **opposes** S.B. 2854.

Common areas vary from buildings, complexes, townhouses, and units. Such requirement would mean a specialized rental agreement for one unit to another. It may also require the inclusion of the declaration and by-laws of the Association of Apartment Owners with the rental agreement.

Under the law, a tenant must agree to comply with all rules that apply to the unit and to the tenant's use of the unit, including, but not limited to (a) by-laws, house rules, and other rules; (b) any federal, state, or county laws; and (c) any other restrictions.

HAR questions the intent of S.B. 2854 as we believe it will create additional paperwork for landlords and provides no real benefit to the tenant.

Mahalo for the opportunity to testify.

COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND AFFORDABLE
HOUSING

Senator Russell S. Kokubun, Chair
Senator David Y. Ige, Vice Chair

COMMITTEE ON TOURISM AND GOVERNMENT OPERATIONS

Senator Clarence K. Nishihara, Chair
Senator Donna Mercado Kim, Vice Chair

DATE: Monday, February 4, 2008
TIME: 9:00 am
PLACE: Conference Room 229
State Capitol
415 South Beretania Street

Please accept this testimony in opposition to SB2802, Relating to Rental Security Deposits.

This proposed legislation would impose an unfair burden on landlords. The proposal requires that 6% interest be paid on security deposits returned to tenants. That's approximately 50% more than the interest paid on certificates of deposit (which require more of a deposit than most renters ever pay) and approximately 200% more than tenants could receive by placing the same money in a bank savings account.

Why should landlords be forced by law to pay far greater interest on rental deposits than the rental deposit itself can earn for the landlord?

Paying interest on rental deposits is fair, but 6% is outrageously high. Landlords should profit from legally obtained deposits but neither should they be penalized.

It would be too bad if landlords decide that this is just one more reason to take their long term rentals out of the market and place them for sale. Or more likely, they'll just raise the rent a notch to cover the legislatively mandated payout to tenants.

This is bad legislation that needs to be revised or killed.

Robert Loy
Waimanalo, HI

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The Honorable Russell Kokubun, Chair
The Honorable David Ige, Vice-Chair
Committee on Commerce, Consumer Protection
And Affordable Housing

Cindy Rasmussen, Assistant Vice-President

February 4, 2008

Testimony in Opposition of SB2802, Relating to Rental Security Deposits

As a property management firm, operating in Hawaii since 1977, we stand in firm opposition to this bill.

The idea that we should be mandated to return a tenant's security deposit with simple interest in the amount of 6% is not only unreasonable, but certainly not feasible.

Not only are the banks not able to guarantee us a return of 6% regularly, the accounting nightmare that this would impose upon a small business such as ours is quite burdensome and costly.

Once again, we stand in opposition to SB2802.

Please pardon our late testimony. We were not aware that this bill was introduced this session. Thank you for considering our testimony on this measure.