
A BILL FOR AN ACT

RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE.

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

1 SECTION 1. The legislature finds that landlords generally
2 protect themselves against tenant-caused damage by retaining a
3 security deposit from the tenant at the time the rental
4 agreement begins. When a tenant causes damage valued beyond the
5 amount of the security deposit, the landlord's remedy is to seek
6 a judgment for the excess damages in court. However, landlords
7 frequently encounter tenants who leave the State before the
8 court hearing occurs. The court will usually award a default
9 judgment in favor of the landlord when the tenant fails to
10 appear for the hearing, but as a practical matter the landlord
11 has no way to enforce the judgment. Under the existing system,
12 landlords have suffered significant losses when tenants fail to
13 appear in court, and they are unable to recover the costs for
14 repairs for excess damages to rental properties.

15 The purpose of this Act is to allow a court to hold funds
16 in the amount of the alleged damages until a hearing may be
17 held, which:



- 1 (1) Encourages tenants to appear and contest the
- 2 landlord's claim if the tenant disagrees with the
- 3 allegations rather than leaving the jurisdiction; and
- 4 (2) Provides a way for landlords to be made whole in the
- 5 event of a default judgment.

6 SECTION 2. Chapter 521, Hawaii Revised Statutes, is
7 amended by adding a new section to be appropriately designated
8 and to read as follows:

9 "§521- Damages to property; trust fund. (a) At the
10 request of a landlord or landlord's agent in any court
11 proceeding in which repair costs of tenant-caused property
12 damage are in dispute and the claimed amount of repair costs
13 exceed the tenant's security deposit, a court may order the
14 tenant to deposit the amount of claimed damages with the court
15 as provided under subsection (b). No deposit ordered under this
16 section shall affect the tenant's rights to assert either that
17 the property damage is not tenant-caused or any other grounds
18 for nonliability under this chapter.

19 (b) The court in which the dispute is being heard shall
20 accept and hold in trust any amount deposited under this section



1 and make payment consistent with a judgment out of money
2 collected as provided in this section."

3 SECTION 3. New statutory material is underscored.

4 SECTION 4. This Act shall take effect on January 1, 2021.

5
INTRODUCED BY: B. Kolzachi

JAN 21 2020



H.B. NO. 2187

Report Title:

Residential Landlord-Tenant Code; Repairs Costs; Tenant-Caused Property Damage; Trust Fund

Description:

Allows a court to order a tenant to deposit the amount of claimed damages into the court at the request of the landlord or landlord's agent in certain court proceedings. Distributes funds consistent with a judgment.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

