

JAN 17 2020

A BILL FOR AN ACT

RELATING TO LANDLORD-TENANT LAW.

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 the court to hold funds
16 in the amount of the alleged damages until a hearing may be
17 held, and in the event of a default judgment, provide a way for



1 landlords to be made whole by encouraging tenants to appear and
2 contest the landlord's claim if they disagree with the
3 allegations rather than leaving the jurisdiction. In the event
4 that the tenant has counterclaims against the landlord, the
5 tenant's claim for damages is secured by the value of the rental
6 property.

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

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

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



S.B. NO. 2610



1 and shall make payment consistent with a judgement out of money
2 collected as provided herein."

3 SECTION 3. New statutory material is underscored.

4 SECTION 4. This Act shall take effect upon its approval.

5

INTRODUCED BY:



S.B. NO. 2610

Report Title:

Landlord-tenant; Repair Costs; Tenant-caused Property Damage;
Trust Fund

Description:

Allows, at the request of either the tenant or the landlord in any court proceeding in which repair costs of tenant-caused property damage is in dispute and the repair costs exceed the tenant's security deposit, the tenant to deposit the amount of damages claimed into the court, such funds to be distributed consistent with a judgement.

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

