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 purpose of this Act is to establish a 2 process for the early termination of a rental agreement for 3 certain active duty servicemembers who: 4 Receive military orders to vacate civilian housing and 5 move into on-post government quarters; 6 (2) Become eligible to live in on-post government quarters 7 and failure to move into on-post government quarters 8 will result in a forfeiture of basic allowance for 9 housing; or (3) 10 Die while serving on active duty. 11 SECTION 2. Chapter 521, Hawaii Revised Statutes, is 12 amended by adding a new section to be appropriately designated 13 and to read as follows: "\$521- Early termination of tenancy; servicemember
- 14
- 15 tenants. (a) A servicemember tenant may terminate a rental
- 16 agreement of a term of one year or less without penalty or fees

1	for early	termination or liability for future rent if the
2	serviceme	mber tenant:
3	(1)	Receives military orders requiring the servicemember
4		tenant to vacate civilian housing and move into on-
5		post government quarters; or
6	(2)	Becomes eligible to live in on-post government
7		quarters and failure to move into on-post government
8		quarters will result in a forfeiture of the tenant's
9		basic allowance for housing;
10	provided	that the servicemember tenant submits at least thirty
11	days writ	ten notice to the landlord.
12	(b)	When the tenancy is from month to month, a
13	serviceme	mber tenant may terminate a rental agreement without
14	penalty o	r fees for early termination or liability for future
15	rent if t	he servicemember tenant:
16	(1)	Receives military orders requiring the servicemember
17		tenant to vacate civilian housing and move into on-
18		post government quarters; or
19	(2)	Becomes eligible to live in on-post government
20		quarters and failure to move into on-post government

1	quarters will result in a forfeiture of the
2	servicemember tenant's basic allowance for housing;
3	provided that the servicemember tenant submits at least fifteen
4	days written notice to the landlord.
5	(c) The written notice required under subsection (a) or
6	(b) shall be accompanied by one of the following documents:
7	(1) A copy of official military orders; or
8	(2) A written verification signed by the servicemember
9	tenant's commanding officer.
10	(d) In the event a servicemember tenant dies during active
11	duty, an adult member of the servicemember tenant's family may
12	terminate a rental agreement of a term of one year or less, or a
13	rental agreement with a month to month tenancy agreement,
14	without penalty or fees for early termination or liability for
15	future rent if the family member provides at least fifteen days
16	written notice to the landlord. The notice shall be accompanied
17	by a copy of the servicemember tenant's death certificate and:
18	(1) A copy of official military orders showing the
19	servicemember tenant was on active duty; or
20	(2) A written verification signed by the servicemember
21	tenant's commanding officer.

1	(e) If the servicemember tenant is solely liable on the
2	rental agreement, the rental agreement shall terminate on the
3	early termination date described in subsection (a), (b), or (d),
4	and the servicemember tenant or servicemember tenant's estate or
5	family member, as applicable, shall be liable for rent owed
6	through the early termination date plus any previous obligations
7	outstanding as of that date. The amount due from the
8	servicemember tenant shall be paid to the landlord on or before
9	the early termination date.
10	(f) If there are multiple tenants who are parties to the
11	rental agreement, the release of one or more servicemember
12	tenants under this section shall not terminate the rental
13	agreement with respect to the other non-terminating tenants;
14	provided that the other non-terminating tenants demonstrate an
15	ability to pay the rent under the rental agreement, as
16	determined by the landlord. If the other non-terminating
17	tenants fail to demonstrate an ability to pay the rent, the
18	landlord may terminate the rental agreement by giving notice of
19	early termination to the other non-terminating tenants at least
20	fourteen days prior to the early termination date specified in
21	the notice: provided that the landlord shall not assess any

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1	penalty of	r fees for the early termination. The amount due from
2	the other	non-terminating tenants shall be paid to the landlord
3	on or bef	ore the early termination date.
4	The	landlord shall not be required to refund security
5	deposits	under section 521-44 or prepaid rent until:
6	(1)	The rental agreement terminates with respect to all
7		tenants and the dwelling unit is surrendered to the
8		landlord; or
9	(2)	Early termination is effected pursuant to this
10		subsection, in which case each terminating tenant
11		shall receive a prorated share of any security deposit
12		or prepaid rent from the landlord upon termination of
13		the rental agreement; provided that the percentage of
14		any security deposit to be returned shall be
15		determined by the parties in writing; provided further
16		that if there is no determination made by the parties
17		regarding the percentage share of the security
18		deposit, the landlord shall be permitted to refund the
19		security deposit in equal shares to each tenant on the
20		rental agreement.

1	<u>(g)</u>	If a servicemember tenant or an adult member of the
2	serviceme	mber tenant's family submits notice of early
3	terminati	on in compliance with this section, the landlord shall:
4	(1)	Return a prorated share of all security deposits
5		recoverable by the terminating servicemember tenant or
6		the terminating servicemember tenant's family member
7		under section 521-44 and prepaid rent recoverable by
8		the terminating servicemember tenant or the
9		terminating servicemember tenant's family member
10		following the tenant's or family member's surrender of
11		the dwelling unit, except as otherwise provided in
12		subsection (f); provided that the landlord may
13		withhold a prorated amount of the security deposit for
14		payment of damages that the landlord has suffered by
15		reason of the terminating servicemember tenant's
16		noncompliance with section 521-51; and
17	(2)	Not assess any fee or penalty against the terminating
18		servicemember tenant or the terminating servicemember
19		tenant's family member for exercising any right
20		granted under this section.

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- 1 (h) This section shall not affect a servicemember tenant's
- 2 liability for delinquent, unpaid rent, or other amounts owed to
- 3 the landlord before the rental agreement was terminated by the
- 4 servicemember tenant or servicemember tenant's family member
- 5 under this section.
- 6 (i) Nothing in this section shall be construed to infringe
- 7 upon or affect in any way the rights a servicemember tenant may
- 8 have under the federal Servicemembers Civil Relief Act, P.L.
- 9 108-189, or chapter 657D.
- 10 (j) For the purposes of this <u>section</u>, "servicemember
- 11 tenant" means an active duty member of the regular or reserve
- 12 component of the United States armed forces, the United States
- 13 Coast Guard, or the Hawaii National Guard, who is on ordered
- 14 federal duty for a period of ninety days or more and who is a
- 15 party to a rental agreement under this chapter."
- 16 SECTION 3. This Act does not affect rights and duties that
- 17 matured, penalties that were incurred, and proceedings that were
- 18 begun before its effective date.
- 19 SECTION 4. New statutory material is underscored.
- 20 SECTION 5. This Act shall take effect on July 1, 3050.

Report Title:

Residential Landlord-Tenant Code; Rental Agreements; Early Termination; Servicemembers; Servicemember Tenant

Description:

Establishes a process for the early termination of a rental agreement for certain active duty servicemembers who receive military orders to vacate civilian housing and move into on-post government quarters; become eligible to live in on-post government quarters and failure to move into on-post government quarters will result in a forfeiture of basic allowance for housing; or die while serving on active duty. Effective 7/1/3050. (HD1)

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