## 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 certain active duty servicemembers who: 3 4 (1) Receive military orders requiring the servicemember 5 tenant to vacate civilian housing and move into 6 on-post government quarters, and failure to move into 7 on-post government quarters will result in a 8 forfeiture of basic allowance for housing; or 9 (2) Die while serving on active duty. 10 SECTION 2. Chapter 521, Hawaii Revised Statutes, is 11 amended by adding a new section to be appropriately designated 12 and to read as follows: 13 "\$521- Early termination of tenancy; servicemember 14 tenants. (a) A servicemember tenant may terminate a rental 15 agreement of a term of one year or less without penalty or fees 16 for early termination or liability for future rent if the 17 servicemember tenant:

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

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

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

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1	The	landlord shall not be required to refund security
2	deposits	under section 521-44 or prepaid rent until:
3	(1)	The rental agreement terminates with respect to all
4		tenants and the dwelling unit is surrendered to the
5		landlord; or
6	(2)	Early termination is effected pursuant to this
7		subsection, in which case each terminating tenant
8		shall receive a prorated share of any security deposit
9		or prepaid rent from the landlord upon termination of
10		the rental agreement; provided that the percentage of
11		any security deposit to be returned shall be
12		determined by the parties in writing; provided further
13		that if there is no determination made by the parties
14		regarding the percentage share of the security
15		deposit, the landlord shall be permitted to refund the
16		security deposit in equal shares to each tenant on the
17		rental agreement.
18	<u>(g)</u>	If a servicemember tenant or an adult member of the
19	serviceme	mber tenant's family submits notice of early
20	terminati	on in compliance with this section, the landlord shall:

1	(1)	Return a prorated share of all security deposits
2		recoverable by the terminating servicemember tenant or
3		the terminating servicemember tenant's family member
4		under section 521-44 and prepaid rent recoverable by
5		the terminating servicemember tenant or the
6		terminating servicemember tenant's family member
7		following the servicemember tenant's or family
8		member's surrender of the dwelling unit, except as
9		otherwise provided in subsection (f); provided that
10		the landlord may withhold a prorated amount of the
11		security deposit for payment of damages that the
12		landlord has suffered by reason of the terminating
13		servicemember tenant's noncompliance with
14		section 521-51; and
15	<u>(2)</u>	Not assess any fee or penalty against the terminating
16		servicemember tenant or the terminating servicemember
17		tenant's family member for exercising any right
18		granted under this section.
19	(h)	This section shall not affect a servicemember tenant's
20	liability	for delinquent, unpaid rent, or other amounts owed to
21	the landle	ord before the rental agreement was terminated by the

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

### Report Title:

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

### 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, and failure to move into on-post government quarters will result in a forfeiture of basic allowance for housing; or who die while serving on active duty. Effective 7/1/3050. (HD3)

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