
A BILL FOR AN ACT

RELATING TO RENTAL DISCRIMINATION.

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

1 SECTION 1. The legislature finds that the federal housing
2 choice voucher program, also known as section 8 of the United
3 States Housing Act of 1937, as amended, provides federally-
4 funded, tenant-based vouchers to low-income households that are
5 responsible for finding appropriate rental units in the private
6 market. Once a household receives a Section 8 voucher, the
7 challenge is finding a landlord who is willing to accept the
8 voucher. The legislature believes that renters who participate
9 in housing assistance programs, such as section 8, should have
10 an equal opportunity to find housing and should not be
11 discriminated against because their source of income includes
12 funds from housing assistance programs.

13 Studies have shown that when there are laws that prevent
14 discrimination against renters with housing assistance vouchers,
15 these renters are twelve per cent more likely to find housing.
16 The American Bar Association adopted a resolution in 2017 that
17 called for the enactment of laws that ban housing discrimination



1 based on lawful sources of income. The legislature notes that
2 source of income discrimination laws do not alter or restrict
3 standard industry practices to vet prospective renters. Rather,
4 these laws prohibit landlords from rejecting prospective renters
5 who receive section 8 vouchers or other housing assistance
6 simply because of the voucher or assistance.

7 The legislature further finds that ten states, the District
8 of Columbia, fourteen counties, and fifty-six major cities
9 across the country have laws that prohibit source of income
10 discrimination in housing. Honolulu is one of the largest
11 cities in the United States that does not prohibit source of
12 income discrimination in housing.

13 The legislature also finds that low-income individuals
14 experience extreme difficulty in finding affordable rentals in
15 Hawaii. Prior to the COVID-19 pandemic, local and national news
16 reports documented that prospective tenants are often rejected
17 by landlords due to their use of section 8 vouchers or other
18 forms of housing assistance, or based on requirements for
19 participation in a housing assistance program. This situation
20 becomes all the more frustrating when housing vacancy
21 advertisements state "No section 8 accepted" or "Section 8 need



1 not apply" in an effort to prevent low-income individuals
2 receiving housing assistance from being considered as tenants.

3 The legislature additionally finds that the COVID-19
4 pandemic and resulting economic conditions have impacted many
5 residents' ability to pay their rent. An August 2020 survey of
6 two hundred seventy-one landlords and property managers
7 statewide conducted by the University of Hawaii economic
8 research organization indicated that more than nine thousand
9 households were two months or more behind in rent, and more
10 tenants were thirty days behind in rent than prior to the
11 pandemic.

12 The legislature further finds that prior to the pandemic,
13 nationally, eighty-three per cent of households participating in
14 section 8, were led by women. Currently, there are more than
15 twenty-two thousand single mothers in Hawaii. Ninety-two
16 per cent of fifty-five single mothers surveyed in Hawaii during
17 the COVID-19 pandemic reported that they have lost financial
18 independence due to the economic crisis. Allowing landlords to
19 consider a rental applicant's source of income can also function
20 as a proxy for discrimination against single mothers.



1 The purpose of this Act is to prohibit discrimination,
2 including in advertisements for rental property, in rental
3 transactions based on participation in a section 8 housing
4 choice voucher program or any permanent supportive housing
5 program or requirements related to participation in these
6 housing assistance programs.

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

10 **"CHAPTER**

11 **RENTAL DISCRIMINATION BASED ON SOURCE OF INCOME**

12 § -1 **Definitions.** As used in this chapter, unless the
13 context clearly requires otherwise:

14 "Housing assistance program" means a section 8 housing
15 choice voucher program or any permanent supportive housing
16 program.

17 "Rental transaction" means any part of the process for the
18 rental or lease of a premises for residential purposes.

19 § -2 **Discriminatory practices in a rental transaction**
20 **based on source of income.** (a) It shall be a discriminatory
21 practice for a landlord to:



- 1 (1) Indicate in any manner used to advertise the
2 availability of a rental property that the landlord
3 will not rent a property to a person participating in
4 a housing assistance program;
- 5 (2) Discourage in any manner a person from seeking to
6 engage in a rental transaction based on the person's
7 participation in a housing assistance program;
- 8 (3) Refuse to engage in a rental transaction with a person
9 because of the person's participation in a housing
10 assistance program or requirements related to
11 participation in a housing assistance program; or
- 12 (4) Require rental conditions that are different from
13 those required for a person not participating in a
14 housing assistance program.
- 15 (b) Nothing in this section shall be deemed to prohibit a
16 landlord from determining in a commercially reasonable manner
17 the ability of a potential tenant to pay rent by:
- 18 (1) Verifying the source and amount of income of the
19 potential tenant; or



(2) Evaluating the stability, security, and creditworthiness of the potential tenant or any source of income of the potential tenant.

§ -3 Remedies. (a) Any individual claiming to be aggrieved by an alleged unlawful discriminatory practice by a landlord may bring a civil action in district court within one year of the occurrence of the alleged violation for appropriate injunctive relief and damages.

(b) In an action brought pursuant to subsection (a), a district court may issue an injunction to enjoin a violation of this chapter. If the court issues an injunction, the court may also award damages not to exceed \$2,500 to the person bringing the action, and reasonable attorney's fees and costs incurred in the civil action."

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Permanent Supportive Housing; Source of Income; Rental
Discrimination; Prohibited Practices; Housing Assistance
Program; Section 8 Housing Choice Vouchers

Description:

Prohibits discrimination, including in advertisements for rental property, in rental transactions based on participation in a section 8 housing choice program or any permanent supportive housing program or requirements related to participation in these housing assistance programs. Effective 7/1/2050. (HD1)

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