



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Correction, Military, and Veterans Committee
Wednesday, February 3, 2021 at 10:00 A.M.
Via Videoconference**

RE: HB 391, RELATING TO THE RESIDENTIAL LANDLORD TENANT CODE

Chair Ohno, Vice Chair Ganaden, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 391, which 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.

The Chamber's Military Affairs Council (MAC) was established in 1985 to specifically advocate on behalf of Hawaii's military as it is the second economic driver for the State of Hawaii, comprised of business leaders, state and local officials, non-profit organizations, community leaders and retired U.S. flag and general officers to advocate and liaison with the military commands.

Hawaii's local military personnel and their families, having sacrificed in serving our country and our communities, frequently change housing, deploy overseas, or change work station. HB 391 offers servicemembers and their families the ability to move to on-base housing when a unit becomes available. As such, the ability to terminate off-base rental agreement with proper notice to landlord to accept available on-base housing is reasonable and will help free up much needed rental units for local residents.

Thank you for this opportunity to provide testimony in support of HB 391.

HB-391

Submitted on: 2/1/2021 1:37:27 PM

Testimony for CMV on 2/3/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Beverlyn	Individual	Support	No

Comments:

I am in full support of bill HB391. I believe that this bill would really help some of our servicemembers who get stuck with leases - which ended up hurting them financially and maybe emotionally and mentally.

One way to appreciate our servicemembers is by providing them with a less complicated living situation here in our state.

Thank you for all you have done and continue doing to support our military members and their families.

HB-391

Submitted on: 2/1/2021 5:24:43 PM

Testimony for CMV on 2/3/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Levi K. Hookano	Individual	Support	No

Comments:

Aloha Chair Ohno, Vice-Chair Ganaden, and Members of the Committee on Corrections, Military, and Veterans:

I am testifying in strong support of HB391. I am testifying in my personal capacity and my views do not reflect the position of the Army or the United States Army Judge Advocate General's Corps. The greatest beneficiaries of this bill will be our junior enlisted Servicemembers. Passing this bill helps them to focus on their mission to fight and win the nation's wars, instead of focusing on how they will make rent on a home they can no longer afford while still paying for necessities.

This bill will have a positive impact on thousands of Servicemembers. The most common situation where a Servicemember will need to terminate a lease early under this bill is when a junior enlisted Servicemember gets divorced and must move into the barracks. From 2015 – 2020, the Schofield Barracks Legal Assistance Office assisted more than 1,950 Servicemembers and dependents in the grades of E1-E5 with divorce or separation related matters. In the event of a divorce where these Servicemembers no longer have any dependents, or they do not get physical custody of any children, they will be required to move into the barracks, regardless of any valid lease that is signed. Unless an exception to policy is granted by the command, the Servicemember will lose their housing allowance and will likely not be able to afford their rent any longer.

Passing this bill ensures that Servicemembers will not have to face evictions or serious financial hardship if they are no longer eligible for basic housing allowance. A junior enlisted Servicemember, in the grades of E1-E5 with less than 4 years of service in the military, has base pay ranging from \$1,732 - \$2,891/month (CY2020). According to Zillow, the average rent in Honolulu is \$2,349. These Servicemembers will face intense financial struggles if forced to pay penalties or remain in the home for the duration of their lease.

The penalties for early termination of a lease can be significant and is a lose-lose situation for Servicemembers and landlords. Under the current landlord tenant code, the tenant shall be liable to the landlord for the lesser of the following amounts for vacating the home before the lease is over:

- (1) The entire rent due for the remainder of the term; or

(2) All rent accrued during the period reasonably necessary to re-rent the dwelling unit at the fair rental, plus the difference between such fair rent and the rent agreed to in the prior rental agreement and a reasonable commission for the renting of the dwelling unit.

A landlord would have a tenant that is unable to pay the rent or afford the penalties, and have to go through the trouble and costs to either evict or go to collections on these Servicemembers. The Servicemember would take a significant hit to their finances and credit, which could adversely affect their career, especially if they hold a security clearance. The time, efforts, costs, and impacts of this situation has no benefits to landlords and Servicemember tenants.

The ability of a Servicemember to terminate a lease early without penalty is not a new concept. Florida, Georgia, and Washington all have similar laws on their books. Passing this bill will benefit our most junior Servicemembers, and make life just a little bit easier on them after facing difficult situations in their lives. Therefore, I respectfully request that this committee support HB391. I can be reached at email provided with this registration if you have additional questions.

Sincerely,

Levi K. Hookano

HB-391

Submitted on: 2/1/2021 7:59:51 PM

Testimony for CMV on 2/3/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sara Jarman	Individual	Support	No

Comments:

The following testimony comes from someone who has worked with soldiers over the past several months, advising soldiers as their counsel, on their various landlord tenant issues. The particular issue discussed below, is one that I have seen frequently.

This legislation generally, would be of tremendous benefit to soldiers for a myriad of reasons, but one population it would be particularly advantageous for is that of junior enlisted soldiers. For example, when a junior enlisted soldier is going through a divorce, they are generally required to go back and live at the barracks, and that means terminating a lease mid-way or at the beginning. This forces them to pay off the remainder of the lease with the meager pay they already make, in a place they are no longer living, sometimes even creating a situation where they have to pay for their ex-spouse's living situation at their old apartment as they cannot break the lease. Whereas in civilian life, couples have more liberty in what their living situation looks like following divorce or separation, in a military situation, there typically is less freedom. As illustrated earlier, if there is a junior enlisted spouse, that individual will likely have to go back to the barracks, being forced to pay out the remainder of their lease at an apartment they do not live at anymore. Considering the landlord's situation as well, the thirty-day notification period provided for in the legislation, allows ample opportunity for the landlord to find a new tenant, without losing income they would have otherwise received.

HB-391

Submitted on: 2/2/2021 9:32:46 AM

Testimony for CMV on 2/3/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alexander Vanscoy	Individual	Support	No

Comments:

Ladies and Gentleman,

It is imperative that HB 391 passes, anything else would be a disservice to our servicemembers. The Service Members Civil Relief Act does an outstanding job of ensuring a servicemember's ability to break a lease if they receive orders, however HB 391 takes it a step further. Most junior military members are not eligible for housing allowance unless they are married. Unfortunately, once a member gets divorced, they are often stripped of their allowance and ordered back to the barracks. While they may seek an exception, this is not guaranteed. Personally I believe all servicemembers should receive housing allowance, but this simply isn't the case. Given this, HB 391 will allow members in that situation to return to the barracks and not have to pay "out of pocket" for rent. Additionally, it allows families waiting for on-post housing to break a lease when that becomes available. This is particularly beneficial in a high cost of living state like Hawaii where a large family simply can't afford adequate housing off base. I have seen these situations play out many times and fully support this bill.

LATE

HB-391

Submitted on: 2/2/2021 12:48:10 PM

Testimony for CMV on 2/3/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Cynthia K.L. Rezendes	Individual	Comments	No

Comments:

Aloha,

I support, in concept this measure but would like to ensure that this is not going to be a revolving door issue with receiving expungement and then re-committing the same misdemeanor offenses again to require another brush with further expungement of issues related to homelessness.

I would also like to have modified the language to exclude any felonies that someone may think is related to being homeless.

Mahalo,

Cynthia K.L. Rezendes