

Honolulu, Hawaii

MAR 04 2022

RE: S.B. No. 2494
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 2494, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Prohibit landlords from recovering possession of a dwelling unit from tenants if habitability of the dwelling unit is significantly impaired;
- (2) Set a tenant's liability for rent if habitability of the dwelling unit is significantly impaired; and
- (3) Provide remedies for retaliatory evictions.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and Department of Human Services. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS.

Your Committee finds that the warranty of habitability is a principle based on contract law, wherein the tenant is responsible for paying rent while the landlord guarantees in return that the



premises are habitable and in compliance with health, safety, and building codes. The Hawaii Supreme Court has recognized the warranty of habitability, but it has not been codified in statute, resulting in it being largely unenforced.

Your Committee further finds that existing state law allows a tenant to deduct up to \$500 from the next month's rent for the cost of repairs if the landlord does not respond to the tenant's written repair request within twelve business days. However, costs to repair conditions that materially affect health and safety can exceed \$500, leaving the tenant with limited recourse. Hawaii renters already face one of the least affordable rental markets in the nation and eviction directly fuels homelessness, another epidemic facing the State. Accordingly, this measure codifies the warranty of habitability and sets minimum damages and establishes remedies for tenants who have suffered retaliatory evictions for reporting inhabitable conditions. This measure also promotes incentivizing landlords to keep their rental unit in a safe and sanitary condition and protects landlord-tenant equity in Hawai'i.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2494, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



