STAND. COM. REP. NO. 2959

Honolulu, Hawaii

MAR 0 4 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:

- 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



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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 Hawaiʻi.

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,

KLN

KARL RHOADS, Chair



The Senate Thirty-First Legislature State of Hawaiʻi

Record of Votes Committee on Judiciary JDC

Bill / Resolution No.:*	Committee Referral:			Date:		
SB 2494. SDI	CPN, JDC			02-25-22		
The Committee is reconsidering its previous decision on this measure.						
If so, then the previous decision was to:						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Aye	Aye (WR)	Nay	Excused	
RHOADS, Karl (C)		1				
KEOHOKALOLE, Jarrett (VC)					~	
ACASIO, Laura		~				
GABBARD, Mike		\checkmark				
KIM, Donna Mercado		\checkmark				
LEE, Chris					<	
FEVELLA, Kurt						
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TOTAL		5		-	2	
Recommendation:						
Chair's or Designee's Signature:						
Distribution: Original File with Committee Re	Yellow port Clerk's Office D		Pink Drafting Agency		Goldenrod Committee File Copy	

*Only <u>one</u> measure per Record of Votes