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Testimony of the Department of Commerce and Consumer Affairs

Office of Consumer Protection

**Before the
Senate Committee on Commerce and Consumer Protection**

Friday, March 22, 2024

9:40 a.m.

Via Videoconference

On the following measure:

S.R. 157, URGING THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS AND MAUI COUNTY TO INVESTIGATE AND ENFORCE APPLICABLE LAWS AGAINST LANDLORDS WHO ARE ENDING RENTAL AGREEMENTS TO HOUSE FEMA-ELIGIBLE HOUSEHOLDS THROUGH THE DIRECT LEASE PROGRAM OR THE DEPARTMENT OF HUMAN SERVICES RENTAL ASSISTANCE PROGRAM.

Chair Keohokalole and Members of the Committee:

My name is Mana Moriarty, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection (OCP). The Department appreciates the intent of this resolution and provides the following comments.

This resolution calls attention to Maui homeowners who are not renewing lease agreements with existing tenants, allegedly displacing them to make room for households eligible for FEMA relief through the Direct Lease Program and households supported by the State Rental Assistance Program. Such conduct may violate the

Emergency Proclamation. It should be immediately reported to the State of Hawaii Department of the Attorney General.

On October 23, 2023, Attorney General Anne E. Lopez publicly sought information regarding illegal residential rent increases and evictions on the Island of Maui. News Release 2023-50 available at <https://ag.hawaii.gov/wp-content/uploads/2023/10/News-Release-2023-50.pdf>. Attorney General Lopez stated:

“We are aware of reports of Maui landlords raising rent beyond what was being assessed for the same unit as of August 9, 2023,” said Attorney General Lopez. “The purpose of the rent and eviction restrictions in the Emergency Proclamation is to address the unprecedented humanitarian crisis caused by the August wildfires. If you believe that a landlord on Maui is acting illegally under the Emergency Proclamation, report what you know to the Department of the Attorney General.”

The Department has worked with reporting parties to refer possible violations of the Emergency Proclamation to the Department of the Attorney General. We are informed that the AG has received, and continues to receive, tips and complaints about potential violations of the Emergency Proclamation.

Thank you for the opportunity to testify on this resolution.



DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA

JOSH GREEN, M.D.
GOVERNOR

ANNE LOPEZ
ATTORNEY GENERAL

News Release 2023-50

**ATTORNEY GENERAL LOPEZ SEEKS INFORMATION REGARDING ILLEGAL
RESIDENTIAL RENT INCREASES, EVICTIONS ON THE ISLAND OF MAUI**

FOR IMMEDIATE RELEASE

October 23, 2023

HONOLULU – Attorney General Anne Lopez is asking residential rental tenants on the island of Maui to inform the Department of the Attorney General if their landlords are illegally raising rent or threatening them with eviction for failure to pay rent, taxes, or fees.

Under the Seventh Proclamation Relating to Wildfires, signed by Governor Josh Green, M.D. (the Emergency Proclamation), the landlord of a residential dwelling unit on the island of Maui is prohibited from charging more rent than what was being assessed as of August 9, 2023, unless such rent increase is contained in a written agreement that was signed by the tenant prior to August 9, 2023.

It does not matter if the landlord re-rents the property to a new tenant or enters into a new agreement with the same tenant—the rent cannot exceed what was being assessed as of August 9, 2023, so long as the prohibition on rent increases in the Emergency Proclamation and subsequent emergency proclamations remains in effect.

Additionally, under the Emergency Proclamation, a landlord on the island of Maui is prohibited from initiating, continuing, or prosecuting an eviction action against a residential rental tenant for failure to pay all or any portion of the rent, maintenance fees, utility charges, taxes, or other fees for the residential unit. Given this prohibition, merely threatening eviction under such circumstances may constitute an unlawful act.

Landlords violating these provisions of the Emergency Proclamation may be subject to penalties and remedies as provided by law, including civil penalties of up to \$10,000 per day. See sections 127A-30(e) and 480-3.1, Hawaii Revised Statutes.

“We are aware of reports of Maui landlords raising rent beyond what was being assessed for the same unit as of August 9, 2023,” said Attorney General Lopez. “The purpose of the rent and eviction restrictions in the Emergency Proclamation is to address the unprecedented humanitarian crisis caused by the August wildfires. If you believe that a landlord on Maui is acting illegally under the Emergency Proclamation, report what you know to the Department of the Attorney General.”

If you would like to report a Maui landlord for potentially violating the terms of the Emergency Proclamation, email your complaint to hawaiiag@hawaii.gov.

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