

A Bill for an Act Relating to Rental Agencies.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. A new chapter is added to the Hawaii Revised Statutes, to be appropriately numbered and to read as follows:

**“CHAPTER
RENTAL AGENCIES**

Sec. -1. Definitions. As used in this chapter:

(1) “Rental agency” means any person who for compensation or other valuable consideration acts or attempts to act as an intermediary between a person seeking to lease, sublease, or assign a housing accommodation and a person seeking to acquire a lease, sublease, or assignment of a housing accommodation.

(2) “Housing accommodation” or “accommodations” include any improved or unimproved real property, or part thereof, which so used or occupied, or is intended, arranged, or designed to be used or occupied, as the home or residence of one or more individuals.

(3) “Department” means the department of regulatory agencies.

(4) “Director” means the director of regulatory agencies.

Sec. -2. License required. No rental agency shall engage in business without a license obtained under this chapter and the rules and regulations of the director. The director shall not require, as a condition precedent to the issuance or retention of a license under this chapter, that an applicant qualify under Chapter 467, Hawaii Revised Statutes as a real estate broker or salesman.

Sec. -3. License fee. (a) Every rental agency shall pay an annual license fee of \$25 to the director on or before July 1 of each year.

(b) Failure to pay the annual license fee shall constitute a forfeiture of license.

(c) Fees collected by the director shall be deposited in the general fund of the State.

Sec. -4. Bond. Each licensed rental agency shall give and keep in force a bond with the director in the penal sum of \$5,000 with good and sufficient surety or sureties approved by the director, conditioned:

(1) That the licensee shall not violate any of the provisions of this chapter.

(2) That the licensee shall faithfully, promptly, and truly refund all fees illegally or incorrectly obtained from customers to the director.

Sec. -5. Application for license. Every individual, agent, partnership, corporation, or association seeking a license to operate a rental agency shall file

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a written application with the director which shall contain such information and shall be in such form as the director may prescribe.

Sec. -6. Issuance of license. (a) Upon receipt of an application for a license to conduct a rental agency, the director may order the issuance of the license provided that the application is complete and in proper form.

(b) Every license issued shall be valid only as to the rental agency and premises named therein. The location of rental agency shall not be changed without the written consent of the director and any change of location shall be endorsed on the license.

(c) The license shall not be transferable except on approval of the director.

Sec. -7. Termination of license. Every license to conduct a rental agency shall be valid under the terms set forth in the license. The license shall expire on June 30 of each year.

Sec. -8. Posting. Every license to conduct a rental agency shall be posted in a conspicuous place in the main room of the agency.

Sec. -9. Records and reports. Every rental agency shall keep accurate and up-to-date records on the housing accommodations for which it seeks tenants. These records shall include at least the following information:

(1) Whether or not the housing accommodation is presently available for rent and the dates on which the landlord or person empowered to rent the accommodation was contacted;

(2) The monthly rent;

(3) The amount required for the damage deposit; clean-up fees, and rent prepayment;

(4) The number and type of rooms;

(5) Whether or not a lease is required and, if one is required, its duration;

(6) Any restrictions of the landlord (for instance, no pets, no children, no stereo systems, etc.);

(7) The type of neighborhood (residential, rural, commercial, high rise, etc.); and

(8) The location of the housing accommodation. The director may prescribe by rule or regulation that this information, as well as any additional information, be relayed to him on a regular basis. The records required by law or regulation shall be preserved by the agency for a period of at least two years.

Sec. -10. Duties of the rental agency. In determining whether a housing accommodation is still available for rent, the rental agency shall check at least every third day with the landlord or the person empowered to lease, sublease, or assign the housing accommodation. On the basis of the information so obtained, the rental agency shall inform each prospective customer, whether or not he requests the information, of the number of housing accommodations conforming to his specific requirements that the rental agency has listed as presently available. No customer shall be required to pay a fee or charge until the rental agency has successfully placed him in a housing accommodation.

Sec. -11. Director's rights. The director and his authorized representatives shall have the power and authority to enter any office, building, premises, or other place in which a rental agency is operated for the purpose of making investigations for the proper enforcement of this chapter and such rules and regulations as the director may prescribe. No person shall refuse the director or his authorized representative admittance to any such office, building, premises, or other place. The director and his authorized representatives shall for the purpose of examination have access to and the right to copy any book, account, receipt, contract, or other paper or document relating to the business of conducting a rental agency. Every person shall furnish to the director or his authorized representative such information relating to the business of conducting a rental agency. The rights as specified above shall be limited to regular business hours and at such other times as the director feels will be necessary to effectuate the purposes of this chapter.

Sec. -12. Revocation and cancellation. Any license may be revoked or cancelled for cause at any time by the director after affording all interested parties reasonable opportunity for a fair hearing pursuant to chapter 91. Cause shall mean violation of any provision of this chapter or rule or regulation of the director.

Sec. -13. Reconsideration. In the absence of appeal and within ten days after mailing or delivery of notice of decision made pursuant to sections -6 and -12 to the parties entitled thereto, the director may, for good cause, on his own motion or upon application of any interested party reconsider such decision. Upon an application for reconsideration the director shall promptly reconsider the decision.

Sec. -14. Appeals. Any person aggrieved by a decision made pursuant to sections -12 and -13 may appeal to the circuit court as provided in section 91-14.

Sec. -15. Stay of enforcement. In no case shall an application for reconsideration or an appeal to the circuit court operate as a supersedeas or stay unless the director or the circuit court so orders.

Sec. -16. Rules and regulations. The director may make, amend or repeal such rules and regulations pursuant to chapter 91, as he may deem proper to fully effectuate the provisions of this chapter.

Sec. -17. Penalties. Any rental agency which violates this chapter shall be fined not more than \$1,000 or imprisoned not more than six months, or both."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 23, 1969.)