

STAND. COM. REP. NO. 1948  
Honolulu, Hawaii

RE: H.B. No. 931  
H.D. 2  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii  
Sir:

Your Committee on Judiciary, to which was referred H.B. No. 931, H.D. 2, S.D. 1, entitled:  
"A BILL FOR AN ACT RELATING TO THE 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 premises is significantly impaired;
- (2) Set a tenant's liability for rent if habitability of the premises is significantly impaired; and
- (3) Provide remedies for retaliatory eviction.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawai'i State Commission on the Status of Women, Hawaii Regional Council of Carpenters, Parents and Children Together, Kokua Kalihi Valley, Pacific Resource Partnership, Pono Hawai'i Initiative, Hawaiian Community Assets, Lawyers for Equal Justice, Chinatown Gateway Plaza Tenant Association, and five individuals. Your Committee received testimony in opposition to this measure from Gustafson Real Estate, LLC; Oahu Chapter of the National Association of Residential Property Managers; Lani Properties Corporation; Cen Pac Properties, Inc.; Hawai'i Association of REALTORS; Maui Chapter of the National Association of Residential Property Managers; Hawaii Sands Realty; and eight individuals. Your Committee received comments on this measure from one individual.

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 warranty of habitability has been recognized by the Hawaii Supreme Court but has not been codified in statute, resulting in it being largely unenforced. This measure codifies the Hawaii Supreme Court's decision establishing a warranty of habitability and sets minimum damages for tenants who have suffered retaliatory evictions, which will incentivize landlords to keep their rental units in a safe and sanitary condition.

Your Committee has amended this measure by clarifying that it applies to contracts that are renewed or extended after its effective date.

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 H.B. No. 931, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 931, H.D. 2, S.D. 2.

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

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KARL RHOADS, Chair