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# A BILL FOR AN ACT

RELATING TO DISCRIMINATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that low-income  
2 individuals have an extremely difficult time finding affordable  
3 rentals in Hawaii. This situation is made more frustrating when  
4 housing vacancy advertisements discourage people from applying  
5 by advertising "no section 8 accepted." Hawaii's laws currently  
6 do not prohibit discrimination based on lawful source of income.  
7 However, a number of other states, including California and  
8 Oregon, have prohibited this type of income discrimination.  
9 Renters who participate in government assistance programs, such  
10 as the federal Housing Choice Voucher program, also known as  
11 section 8 housing, should have an equal opportunity to find  
12 housing.

13           The purpose of this Act is to prohibit discrimination based  
14 on lawful source of income in the rental of real estate,  
15 including advertisements for available rental units.



1 SECTION 2. Chapter 521, Hawaii Revised Statutes, is  
2 amended by adding four new sections to be appropriately  
3 designated and to read as follows:

4 "§521- Discriminatory practices. (a) In addition to  
5 the discriminatory practices provided in section 515-3, it is a  
6 discriminatory practice for a person engaging in a rental  
7 transaction pursuant to this chapter because of source of  
8 income:

- 9 (1) To refuse to engage in a rental transaction with a  
10 person;
- 11 (2) To discriminate against a person in the terms,  
12 conditions, or privileges of a rental transaction or  
13 in the furnishing of facilities or services in  
14 connection with a rental transaction;
- 15 (3) To refuse to receive or to fail to transmit a bona  
16 fide offer to engage in a rental transaction from a  
17 person;
- 18 (4) To refuse to negotiate for a rental transaction with a  
19 person;
- 20 (5) To represent to a person that premises are not  
21 available for inspection, rental, or lease when in



1 fact the premises are available, or to fail to bring a  
2 property listing to the person's attention, or to  
3 refuse to permit the person to inspect premises, or to  
4 steer a person seeking to engage in a rental  
5 transaction;

6 (6) To offer, solicit, accept, use, or retain a listing of  
7 premises with the understanding that a person may be  
8 discriminated against in a rental transaction or in  
9 the furnishing of facilities or services in connection  
10 with a rental transaction; or

11 (7) To discriminate against or deny a person access to, or  
12 membership or participation in any multiple listing  
13 service, or other service, organization, or facility  
14 involved either directly or indirectly in rental  
15 transactions, or to discriminate against any person in  
16 the terms or conditions of access, membership, or  
17 participation.

18 (b) Nothing in this section shall be deemed to prohibit a  
19 person from determining the ability of a potential renter to pay  
20 rent by:



1        (1) Verifying, in a commercially reasonable manner, the  
2            source and amount of income of the potential renter;  
3            or

4        (2) Evaluating, in a commercially reasonable manner, the  
5            stability, security, and credit worthiness of the  
6            potential renter or any source of income of the  
7            potential renter.

8        **§521- Restrictive covenants and conditions.**    (a) Every  
9        provision in an oral agreement or a written instrument relating  
10       to premises that purports to forbid or restrict the occupancy or  
11       lease thereof to individuals because of source of income is  
12       void.

13       (b) Every condition, restriction, or prohibition,  
14       including a right of entry or possibility of reverter, that  
15       directly or indirectly limits the use or occupancy of premises  
16       on the basis of source of income is void.

17       (c) It is a discriminatory practice to insert in a written  
18       instrument relating to premises a provision that is void under  
19       this section or to honor or attempt to honor such a provision in  
20       the chain of title.



1        §521-     Blockbusting.    It is a discriminatory practice for  
2 a person for the purpose of inducing a rental transaction from  
3 which the person may benefit financially, because of source of  
4 income:

5        (1) To represent that a change has occurred or will or may  
6 occur in the composition of the owners or occupants in  
7 the block, neighborhood, or area in which the premises  
8 are located; or

9        (2) To represent that this change will or may result in  
10 the lowering of property values, an increase in  
11 criminal or antisocial behavior, or a decline in the  
12 quality of schools in the block, neighborhood, or area  
13 in which the premises are located.

14       §521-     Other discriminatory practices.    It is a  
15 discriminatory practice for a person, or for two or more persons  
16 to conspire:

17       (1) To retaliate, threaten, or discriminate against a  
18 person because of the exercise or enjoyment of any  
19 right granted or protected by this chapter, or because  
20 the person has opposed a discriminatory practice, or  
21 because the person has made a charge, filed a



- 1           complaint, testified, assisted, or participated in an  
2           investigation, proceeding, or hearing under this  
3           chapter;
- 4           (2) To aid, abet, incite, or coerce a person to engage in  
5           a discriminatory practice;
- 6           (3) To interfere with any person in the exercise or  
7           enjoyment of any right granted or protected by this  
8           chapter or with the performance of a duty or the  
9           exercise of a power by any person or agency charged  
10           with enforcing this chapter;
- 11           (4) To obstruct or prevent a person from complying with  
12           this chapter or an order issued pursuant to this  
13           chapter;
- 14           (5) To intimidate or threaten any person engaging in  
15           activities designed to make other persons aware of, or  
16           encouraging other persons to exercise rights granted  
17           or protected by this chapter;
- 18           (6) To threaten, intimidate, or interfere with persons in  
19           their enjoyment of premises because of the source of  
20           income of the persons, or of visitors or associates of  
21           the persons; or



1        (7) To print, circulate, post, or mail, or cause to be  
2        published a statement, advertisement, or sign, or to  
3        use a form of application for a rental transaction, or  
4        to make a record or inquiry in connection with a  
5        prospective rental transaction, that indicates,  
6        directly or indirectly, an intent to make a limitation  
7        or specification, or to discriminate because of source  
8        of income."

9        SECTION 3. Section 521-8, Hawaii Revised Statutes, is  
10       amended by adding two new definitions to be appropriately  
11       inserted and to read as follows:

12        "Rental transaction" means any part of a process or  
13        transaction for the rental or lease of premises.

14        "Source of income" means any lawful source of money paid  
15        directly or indirectly to a tenant or potential tenant,  
16        including:

17        (1) Any lawful profession or occupation;

18        (2) Any government or private assistance, grant, loan, or  
19        rental assistance program, including low-income  
20        housing assistance certificates and vouchers under the  
21        United States Housing Act of 1937, as amended; and



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1        (3) Any gift, inheritance, pension, annuity, alimony,  
2        child support, or other consideration or benefit."

3        SECTION 4. This Act does not affect rights and duties that  
4        matured, penalties that were incurred, and proceedings that were  
5        begun before its effective date.

6        SECTION 5. New statutory material is underscored.

7        SECTION 6. This Act shall take effect on July 1, 2015.

8

INTRODUCED BY: \_\_\_\_\_



JAN 21 2015





# H.B. NO. 25

**Report Title:**

Discrimination in Rental Transactions; Source of Income

**Description:**

Prohibits discrimination in the rental of real property based on lawful source of income.

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