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# A BILL FOR AN ACT

RELATING TO RENT CONTROL.

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

1           SECTION 1. The legislature finds that Hawaii's lack of  
2 rental unit supply leads to higher rents for households of all  
3 income levels, leaving tenants with less disposable income,  
4 increasing the personal stress of tenants, reducing tenant  
5 quality of life, and exacerbating the population overcrowding  
6 and homelessness problems. The need for affordable rental units  
7 is particularly acute for households with low incomes.

8           The legislature finds that there is an urgent need to  
9 stabilize rent prices and reduce the displacement of tenants to  
10 prevent the predatory business practice of requiring a tenant to  
11 "pay more or leave", particularly when there is a dire housing  
12 shortage in the State and the tenant may have nowhere else to  
13 go.

14           Accordingly, the purpose of this Act is to:

15           (1) Prohibit a landlord from increasing a tenant's rent  
16           more than five per cent, plus the percentage change in  
17           the cost of living during the previous twelve months;



- 1           (2) Prohibit a landlord from increasing a tenant's rent
- 2                   more than once over a twelve-month period;
- 3           (3) Require a landlord to provide a tenant with sixty
- 4                   days' notice before increasing the tenant's rent; and
- 5           (4) Require a landlord to provide a tenant with ninety
- 6                   days' notice before terminating the lease, for
- 7                   tenancies of month-to-month or longer.

8           SECTION 2. Chapter 521, Hawaii Revised Statutes, is  
9 amended by adding a new part to be appropriately designated and  
10 to read as follows:

11                                   "PART           .   RENT CONTROL

12           §521-A Rent increase; restrictions. (a) A landlord of a  
13 dwelling unit shall not, over the course of any twelve-month  
14 period, increase the gross rental rate for a dwelling unit more  
15 than five per cent plus the percentage change in the cost of  
16 living, of the lowest gross rental rate charged for that  
17 dwelling unit at any time during the twelve months prior to the  
18 effective date of the increase. In determining the lowest gross  
19 rental rate for purposes of this section, any rent discounts,  
20 incentives, concessions, or credits offered by the landlord of  
21 the dwelling unit and accepted by the tenant shall be excluded.



1 The monthly gross rental rate and any landlord-offered  
2 discounts, incentives, concessions, or credits shall be  
3 separately listed and identified in the lease or rental  
4 agreement or any amendments to an existing lease or rental  
5 agreement.

6 (b) The gross rental rate for the dwelling unit shall not  
7 be increased more than once over any twelve-month period where  
8 the same tenant remains in occupancy of a dwelling unit subject  
9 to other restrictions of this section governing rental rate  
10 increases.

11 (c) Subsection (a) shall apply only to subsequent  
12 increases after the initial rental rate has been established.  
13 For a new tenancy in which no tenant from the prior tenancy  
14 remains in lawful possession of the dwelling unit, the landlord  
15 may establish the initial rental rate not subject to subsection  
16 (a).

17 (d) For purposes of this section, "percentage change in  
18 the cost of living" means the percentage change from April 1 of  
19 the prior year to April 1 of the current year in the regional  
20 Consumer Price Index for all urban consumers of the region where



1 the dwelling unit is located, as published by the United States  
2 Bureau of Labor Statistics.

3 §521-B Exclusions from application of part. This part  
4 shall not apply to:

- 5 (1) Housing restricted by deed, regulator restriction  
6 contained in an agreement with a government agency, or  
7 other recorded document as affordable housing for an  
8 individual or family of very low, low, or moderate  
9 income or subject to an agreement that provides  
10 housing subsidies for affordable housing for an  
11 individual or family of very low, low, or moderate  
12 income;
- 13 (2) Housing subject to rent or price control through a  
14 public entity's valid exercise of its police power  
15 that restricts annual increases in the rental rate to  
16 an amount less than provided pursuant to section  
17 521-A;
- 18 (3) Housing that has been issued a certificate of  
19 occupancy within the previous fifteen years; and
- 20 (4) A dwelling unit that is alienable separate from the  
21 title to any other dwelling unit; provided that:



1           (A) The landlord is not:  
2               (i) A real estate investment trust, as defined  
3               in section 856 of the Internal Revenue Code  
4               of 1986, as amended;  
5               (ii) A corporation; or  
6               (iii) A limited liability company in which at  
7               least one member is a corporation; and  
8           (B) The tenants have been provided written notice  
9           that the dwelling unit is exempt from the  
10           provisions of this part and containing the  
11           following language: "This property is not  
12           subject to the rent limits imposed by section  
13           521-A, Hawaii Revised Statutes. This property  
14           meets the requirements of section 521-B(4),  
15           Hawaii Revised Statutes, and the landlord is not  
16           any of the following: a real estate investment  
17           trust, as defined by section 856 of the Internal  
18           Revenue Code; a corporation; or a limited  
19           liability company in which at least one member is  
20           a corporation.". For a tenancy existing before  
21           July 1, 2023, the noticed required under this



1           subparagraph may be provided in the rental  
2           agreement. For a tenancy commenced or renewed on  
3           or after July 1, 2023, the noticed required under  
4           this subparagraph shall be provided in the rental  
5           agreement.

6           **§521-C Application of part.** (a) This part shall apply to  
7 all rent increases subject to section 521-A occurring on or  
8 after July 1, 2023. If a landlord has increased the rent by  
9 more than the amount permissible under section 521-A between  
10 July 1, 2022, and July 1, 2023, the following shall apply:

11           (1) The applicable rent on July 1, 2023, shall be the rent  
12           as of July 1, 2022, plus the maximum permissible  
13           increase under section 521-A; and

14           (2) A landlord shall not be liable to the tenant for any  
15           corresponding rent overpayment.

16           (b) A landlord of a dwelling unit subject to section 521-A  
17 who increased the rental rate on that dwelling unit on or after  
18 July 1, 2022, but prior to July 1, 2023, by an amount less than  
19 the rental rate increase permitted under section 521-A shall be  
20 allowed to increase the rental rate twice, notwithstanding  
21 section 521-A(b), within twelve months of July 1, 2023; provided



1 that the rental rate increase shall not exceed the maximum gross  
2 rental rate increase allowed under section 521-A.

3       **§521-D Notice of increase.** A landlord shall not increase  
4 a tenant's gross rental rate without written notice given sixty  
5 consecutive days prior to the effective date of the increase.

6       **§521-E Waiver of rights.** Any waiver of the rights under  
7 this part shall be void as contrary to public policy.

8       **§521-F Miscellaneous provisions.** (a) This part is not  
9 intended to expand or limit the authority of counties to  
10 establish ordinances regulating rents.

11       (b) Nothing in this part shall authorize a county to  
12 establish limitations on any rental rate increases not otherwise  
13 permissible by law or adopt or maintain rent controls or price  
14 controls not consistent with this part."

15       SECTION 3. Section 521-71, Hawaii Revised Statutes, is  
16 amended by amending subsection (a) to read as follows:

17       "(a) When the tenancy is month-to-month[7] or longer, the  
18 landlord may terminate the rental agreement by notifying the  
19 tenant, in writing, at least [~~forty-five~~] ninety days in advance  
20 of the anticipated termination. When the landlord provides  
21 notification of termination, the tenant may vacate at any time




1 within the last [~~forty-five~~] ninety days of the period between  
 2 the notification and the termination date, but the tenant shall  
 3 notify the landlord of the date the tenant will vacate the  
 4 dwelling unit and shall pay a prorated rent for that period of  
 5 occupation."

6 SECTION 4. The office of consumer protection shall submit  
 7 an interim report of the effectiveness of this Act to the  
 8 legislature on or before January 1, 2026, and a final report no  
 9 later than twenty days prior to the convening of the regular  
 10 session of 2032. The report shall include but not be limited to  
 11 the impact of the rental rate cap pursuant to section 521-A,  
 12 Hawaii Revised Statutes, on the housing market within the State.

13 SECTION 5. In codifying the new sections added by section  
 14 1 of this Act, the revisor of statutes shall substitute  
 15 appropriate section numbers for the letters used in designating  
 16 the new sections in this Act.

17 SECTION 6. This Act shall take effect on July 1, 2023.  
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INTRODUCED BY:

  
 BY REQUEST OF ~~A OTHER PERSON~~





# S.B. NO. 1113

**Report Title:**

Residential Landlord-Tenant Code; Rent Restrictions; Rent Control; Office of Consumer Protection

**Description:**

Prohibits a landlord from increasing a tenant's rent more than five per cent plus the percentage change in the cost of living during the previous twelve months. Prohibits a landlord from increasing a tenant's rent more than once over a twelve-month period. Requires a landlord to provide a tenant with sixty days' notice before increasing the tenant's rent. Requires a landlord to provide a tenant with ninety days' notice before terminating the lease, for tenancies of month-to-month or longer. Requires the Office of Consumer Protection to submit reports to the Legislature.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

