

WHAT DO YOU NEED TO KNOW?

Hawaii's Residential Landlord-Tenant Code. Hawaii's Residential Landlord-Tenant Code covers the rights and obligations of landlords and tenants who rent on a month-to-month, week-to-week, or other term lease basis. A property owner who rents or leases his/her own property *must* comply.

Housing discrimination in Hawaii. Hawaii law prohibits, among other things, discrimination when renting or leasing property. Protected categories include race, sex, disability, familial status, religion, color, ancestry/national origin, age, marital status, and HIV infection.

State and county tax laws. Property owners must also comply with applicable state and county tax laws, including Hawaii's Transient Accommodations Tax law.

What should I do? To start, read and review Chapters 237, 467, 515, and 521 of the Hawaii Revised Statutes (and their related rules). A link to some of the Hawaii Revised Statutes can be found at hawaii.gov/hirec.

RICO is the enforcement arm for over forty-five professional boards, commissions, and programs that are administratively attached to DCCA. RICO receives complaints, conducts investigations, and prosecutes licensing law violations. RICO also prosecutes unlicensed activity through the issuance of citations and by filing civil lawsuits in the Circuit Courts. RICO works to resolve consumer complaints where appropriate and provides consumer education about various issues relating to licensing and consumer protection. RICO also administers the State Certified Arbitration Program (SCAP) for "lemon" motor vehicle claims.

For More Information:

For questions about when a real estate license may be required, contact the Hawaii Real Estate Commission's Real Estate Branch at (808) 586-2643. Publications like "Working with a Real Estate Broker" and links to Department of Tax bulletins and more are available at hawaii.gov/hirec.

To report unlicensed real estate activity, call the Regulated Industries Complaints Office's Consumer Resource Center at (808) 587-4272, or visit the RICO website at cca.hawaii.gov/rico.

To check licensing status or for information about hiring a licensed professional, call (808) 587-4272, or visit the RICO website at cca.hawaii.gov/rico.

To obtain a copy of the Office of Consumer Protection's Handbook for the Hawaii Residential Landlord-Tenant Code, contact the Office of Consumer Protection at (808) 586-2634, or download it online at cca.hawaii.gov/ocp.

Neighbor island residents can call, toll-free, by dialing the following numbers, then the last 5 digits of the telephone number they wish to call, followed by the # sign. (Ex. To call the Real Estate Branch from Kauai, dial 274-3141, then 6-2643, then #.)

Kauai...274-3141
Maui... 984-2400
Hawaii..974-4000
Lanai...1-800-468-4644
Molokai. 1-800-468-4644

INFORMATION FOR OWNERS OF RENTAL PROPERTY



Department of Commerce and Consumer Affairs

Regulated Industries Complaints Office

235 S. Beretania Street, Ninth Floor
Honolulu, Hawaii 96813
cca.hawaii.gov/rico

(rev. 140925-REC-Rent)

WHAT ARE MY OPTIONS?

Property owners have some options when renting or leasing their property in Hawaii:

- ✓ Self-manage the property
- ✓ Employ a custodian or caretaker, or
- ✓ Hire a licensed real estate professional

Self-Manage the Property

In the State of Hawaii, a real estate license is required to sell, buy, lease, and manage real property. The law provides an exception for individuals, and an individual *can* sell, buy, lease, and manage his/her own property without a real estate license.

If you decide to self-manage your property, you will need to be familiar with, and comply with, all applicable Hawaii laws. For example, under Hawaii's Residential Landlord-Tenant Code, if you offer to rent your property and live off-island, you'll need to find an **on-island agent** to act on your behalf. The on-island agent doesn't have to be a licensed real estate professional, unless he/she is involved in real estate activities, like renting or offering to rent the property.

If you're off-island, you'll also need to designate a **local contact** who resides on the same island as the transient accommodation. The local contact may be an individual or an entity with a principal place of business on the same island as the property. Because they are on the same island as the transient accommodation, the local contact may be able to assist with issues which may arise relevant to the transient accommodation. The on-island local contact doesn't have to be a licensed real estate professional, unless he/she is also involved in real estate activities, like renting or offering to rent the property.

Employ a Custodian or Caretaker

As an alternative, a property owner can hire a custodian or caretaker to manage or care for his/her property(ies). A "custodian" or "caretaker" doesn't need a real estate license, but must be *employed* by the owner, and can only work as a custodian or caretaker for a single owner. A custodian or caretaker can act as your on-island agent and/or the local contact, if one is required.

Hire a Licensed Real Estate Professional

If vetting tenants and collecting rent isn't for you, you should consider hiring a licensed real estate broker or salesperson. Although a licensed real estate professional will charge for services, here are some things to consider:

• **Familiarity with Hawaii's laws & rules**

Licensed real estate professionals are familiar with the various laws and rules that relate to managing real property in this State, including Hawaii's Landlord Tenant Code, state tax reporting requirements for transient accommodation operators, and Hawaii's fair housing laws.

• **Experience**

Sometimes there's no substitute for experience. Marketing the rental, collecting rent, handling maintenance and repair issues, responding to tenant inquiries and complaints, and handling evictions, are all part of the property management process. Getting help from a professional may save time, money, and headaches, in the end.

• **Manage geographically distant properties**

Because of Hawaii's unique geography, property owners who rent and lease property have additional obligations under Hawaii law. A licensed real estate professional can act as both your on-island agent and your local contact, if one is required.

What to look for:

Who should you hire? To start, you may want to (1) get referrals, (2) ask to speak with other, current clients, and (3) ask to see a sample property management agreement.

Be sure to check licensing and prior complaint history with the Regulated Industries Complaints Office.

DO I HAVE TO HIRE A LICENSED CONTRACTOR TO MAKE REPAIRS?

Yes. A contractor's license is required for any project valued at over \$1,000 for labor and materials, and, regardless of cost, whenever a building permit is required.

An electrician's license is required for electrical work. A plumber's license is required to perform plumbing work.

If you have questions about whether you need to hire a licensed contractor, a licensed electrician, or a licensed plumber, call the Contractor's License Board at (808) 586-2700 or the Board of Electricians and Plumbers at (808) 586-2698.

CAN I HIRE A "HANDYMAN"?

If the total cost of your project, including labor and materials, is less than \$1,000, and doesn't require a building permit, you can hire a handyman. "Handymen" usually perform minor repairs and projects that are typically described as "**odd jobs**" or "**fix-up tasks**."

Note: The so-called "handyman exemption" does not apply to electrical or plumbing work!