#### A BILL FOR AN ACT

RELATING TO TENANT NOTIFICATION.

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

- 1 SECTION 1. The legislature finds that Hawaii's dubious 2 distinction as one of the least affordable American 3 jurisdictions to live in is a pressing problem afflicting Hawaii 4 residents. In 2005, according to the National Low Income 5 Housing Coalition, the fair market rent of \$1,159 for a twobedroom apartment in Hawaii would require a household have one 6 7 minimum wage earner who works 143 hours per week year-round or 8 three minimum wage earners who work 40 hours per week year-9 round. One factor contributing to this rental crisis in 10 affordable housing is the increasing demand for bed and breakfast and vacation unit rentals that has contributed to 11 fewer long-term rental properties and higher rents for 12 13 residents. The purpose of this Act is to require landlords to notify
- 14 15 tenants at least 120 days before termination of a lease if any 16 dwelling unit, including a unit in a single family home or a condominium, is going to be converted into a bed and breakfast 17 18 or vacation unit rental. This notification period would enable 2006-0396 SB SMA-2.doc

- 1 a tenant to have some time to make other arrangements in what is
- 2 a difficult market to secure rental housing.
- 3 SECTION 2. Section 521-8, Hawaii Revised Statutes, is
- 4 amended by amending the definition of "dwelling unit" to read as
- 5 follows:
- 6 ""Dwelling unit" means a structure, or part of a structure,
- 7 which is used as a home, residence, or sleeping place by one
- 8 person or by two or more persons maintaining a common household,
- 9 to the exclusion of all others. For purposes of this chapter, a
- 10 dwelling unit includes, but is not limited to, a structure
- 11 within a single family residence, a single family residence, or
- 12 an apartment within a condominium property regime."
- 13 SECTION 3. Section 521-71, Hawaii Revised Statutes, is
- 14 amended to read as follows:
- 15 "§521-71 Termination of tenancy; landlord's remedies for
- 16 holdover tenants. (a) When the tenancy is month-to-month, the
- 17 landlord may terminate the rental agreement by notifying the
- 18 tenant, in writing, at least forty-five days in advance of the
- 19 anticipated termination. When the landlord provides
- 20 notification of termination, the tenant may vacate at any time
- 21 within the last forty-five days of the period between the
- 22 notification and the termination date, but the tenant shall

1 notify the landlord of the date the tenant will vacate the 2 dwelling unit and shall pay a prorated rent for that period of 3 occupation. 4 When the tenancy is month-to-month the tenant may 5 terminate the rental agreement by notifying the landlord, in writing, at least twenty-eight days in advance of the 6 7 anticipated termination. When the tenant provides notice of 8 termination, the tenant shall be responsible for the payment of 9 rent through the twenty-eighth day. Before a landlord terminates a month-to-month tenancy 10 11 where the landlord contemplates: 12 (1) [voluntary] Voluntary demolition of the dwelling 13 units[-]; 14 (2) [conversion] Conversion to a condominium property 15 regime under chapter 514A[, or]; [changing] Changing the use of the building to 16 (3) 17 transient vacation rentals[7]; or 18 (4)Within one year, conversion of the dwelling unit to a 19 bed and breakfast unit or transient vacation unit;

the landlord shall provide notice to the tenant at least one

hundred twenty days in advance of the anticipated demolition,

[or] anticipated termination, or anticipated conversion and

2006-0396 SB SMA-2.doc

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- 1 shall comply with the provisions relating to conversions
- 2 provided in section 514A-105, if applicable. If notice is
- 3 revoked or amended and reissued, the notice period shall begin
- 4 from the date it was reissued or amended. Any notice provided,
- 5 revoked, or amended and reissued shall be in writing. When the
- 6 landlord provides notification of termination pursuant to this
- 7 subsection, the tenant may vacate at any time within the one-
- 8 hundred-twenty-day period between the notification and the
- 9 termination date, but the tenant shall notify the landlord of
- 10 the date the tenant will vacate the dwelling unit and shall pay
- 11 a prorated rent for that period of occupation.
- 12 (d) When the tenancy is less than month-to-month, the
- 13 landlord or the tenant may terminate the rental agreement by
- 14 notifying the other at least ten days before the anticipated
- 15 termination.
- 16 (e) Whenever the term of the rental agreement expires,
- 17 whether by passage of time, by mutual agreement, by the giving
- 18 of notice as provided in subsection (a), (b), (c), or (d) or by
- 19 the exercise by the landlord of a right to terminate given under
- 20 this chapter, if the tenant continues in possession after the
- 21 date of termination without the landlord's consent, the tenant
- 22 may be liable to the landlord for a sum not to exceed twice the

- 1 monthly rent under the previous rental agreement, computed and
- 2 prorated on a daily basis, for each day the tenant remains in
- 3 possession. The landlord may bring a summary proceeding for
- 4 recovery of the possession of the dwelling unit at any time
- 5 during the first sixty days of holdover. Should the landlord
- 6 fail to commence summary possession proceedings within the first
- 7 sixty days of the holdover, in the absence of a rental
- 8 agreement, a month-to-month tenancy at the monthly rent
- 9 stipulated in the previous rental agreement shall prevail
- 10 beginning at the end of the first sixty days of holdover.
- 11 (f) Any notice of termination initiated for the purposes
- 12 of evading the obligations of the landlord under subsections
- 13 521-21(d) or (e) shall be void.
- 14 (g) For purposes of this section:
- 15 "Bed and breakfast unit" means a structure in which
- 16 overnight accommodations are provided to guests for
- 17 compensation, for periods of less than thirty days. A bed and
- 18 breakfast unit is not a hotel, apartment hotel, motel, resort,
- 19 rooming house, boarding house, cooperative apartment, or a time
- 20 share.
- 21 "Transient vacation unit" means a structure in which
- 22 overnight accommodations are provided to quests for

- 1 compensation, for periods of less than thirty days. A transient
- 2 vacation unit is not a hotel, apartment hotel, motel, resort,
- 3 rooming house, boarding house, cooperative apartment, or a time
- 4 share."

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- 5 SECTION 4. Statutory material to be repealed is bracketed
- 6 and stricken. New statutory material is underscored.

7 SECTION 5. This Act shall take effect on January 1, 2007.

INTRODUCED BY

Report Title:

Tenant Notification

#### Description:

Requires that a landlord provide a minimum 120 days notice period to a tenant if a dwelling unit, including a single family residence or a condominium, is being converted to a bed and breakfast or vacation unit rental.