

A BILL FOR AN ACT

RELATING TO EVICTION MEDIATION.

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

1	PART I
2	SECTION 1. The legislature finds that many Hawaii
3	residents continue to face challenges in paying their rent and
4	face eviction. Act 57, Session Laws of Hawaii 2021, encouraged
5	communication and facilitated mediation between landlords and
6	tenants to help reduce summary possession cases. Research
7	indicates that the mediation procedures created by Act 57,
8	Session Laws of Hawaii 2021, were widely successful in
9	substantially increasing the number of disputes that were
10	settled in mediation without any summary possession case being
11	filed and the number of settlements in which the parties agreed
12	that the tenant could continue to reside in the dwelling unit.
13	However, the amendments made to the landlord-tenant code by Act
14	57, Session Laws of Hawaii 2021, have been repealed.
15	The legislature further finds that the availability of
16	rental relief is a key factor to ensuring housing stability and
17	that combining rent relief with a robust pre-litigation

1	mediation	proc	ess is likely to lead to significantly better
2	outcomes	than :	mediation that starts only after litigation is
3	filed or	rent	relief alone.
4	Acco	rding	ly, the purpose of this Act is to:
5	(1)	Crea	te a pilot program, adopting the most effective
6		prov	isions of Act 57, Session Laws of Hawaii 2021,
7		that	:
8		(A)	Extends the period for a notice of termination of
9			the rental agreement from five business days to
10			ten calendar days;
11		(B)	Requires landlords to engage in mediation and
12			delay filing an action for summary possession if
13			a tenant schedules or attempts to schedule a
14			mediation; and
15		(C)	Requires landlords to provide specific
16			information in the ten-calendar day notice to
17			tenants, which shall also be provided to a
18			mediation center that offers free mediation for
19			residential landlord-tenant disputes; and
20	(2)	Crea	te an emergency rent relief program available to
21		part	icipants in pre-litigation mediation to provide

1	resources that will help avoid eviction and maintain
2	stable tenancies.
3	SECTION 2. Section 521-68, Hawaii Revised Statutes, is
4	amended to read as follows:
5	"§521-68 Landlord's remedies for failure by tenant to pay
6	rent[-]; pre-litigation mediation. (a) A landlord or the
7	landlord's agent may, any time after rent is due, demand payment
8	thereof and notify the tenant in writing that unless payment is
9	made within a time mentioned in the notice[, not] as provided in
10	subsection (b), no less than [five business] ten calendar days
11	after receipt thereof, the rental agreement [will] shall be
12	terminated. [If the tenant cannot be served with notice as
13	required, notice] Notice may be given to the tenant by posting
14	the same in a conspicuous place on the dwelling unit[-], and the
15	notice shall be deemed received on the date of the posting. If
16	the notice is mailed to the tenant via the United States Postal
17	Service, properly addressed, and with appropriate postage, the
18	notice shall be deemed to have been received two business days
19	after mailing, unless the letter is returned to the landlord as
20	undeliverable. If the tenant remains in default[7] after the
21	expiration of the time stated in the notice, the landlord may

1	thereafte	r bring a summary proceeding for possession of the
2	dwelling	unit or any other proper proceeding, action, or suit
3	for posse	ssion $[-]$, subject to subsections (b) through (i). The
4	notice re	quired in this section need not be given if the action
5	is based	on the breach of a mediated agreement or other
6	settlemen	t agreement or for a summary possession proceeding
7	based on	matters other than non-payment of rent. If the summary
8	possessio	n action is based on the breach of a settlement
9	agreement	or mediated agreement, the court shall not require any
10	further m	ediation prior to trial.
11	(b)	The ten-calendar day notice shall provide the
12	following	<u>:</u>
13	(1)	The name of the landlord or the landlord's agent and
14		the landlord's or landlord's agent's contact
15		information, including, if possible, phone number,
16		electronic mail address, and mailing address;
17	(2)	The address of the dwelling unit subject to the rental
18		agreement;
19	(3)	The name and contact information of all tenants listed
20		on the rental agreement, including phone number and,

1		if possible, electronic mail address, and mailing
2		address;
3	(4)	The current amount of the rent due as of the date of
4		the notice, after applying all rent paid from all
5		sources;
6	(5)	That a copy of the ten-calendar day notice being
7		provided to the tenant is also being provided to the
8		mediation center on the island where the dwelling unit
9		of the tenant is located and, in accordance with
10		subsection (c), in order for the mediation center to
11		contact the landlord and tenant to attempt to schedule
12		a mediation regarding the nonpayment of rent;
13	<u>(6)</u>	That the landlord or landlord's agent may file an
14		action for summary possession if the rent due is not
15		paid and if mediation is not scheduled within ten
16		calendar days after the tenant's receipt of the ten-
17		calendar day notice, regardless of whether the
18		scheduled mediation session occurs within such ten
19		calendar days;
20	(7)	A warning in bold typeface print that says: "If
21		mediation is not scheduled within ten calendar days

1	after receipt of this notice, regardless of whether
2	the scheduled mediation session occurs within such
3	ten-calendar-day period, then the landlord may file an
4	action for summary possession after the expiration of
5	the ten-calendar-day period. If mediation is
6	scheduled before the expiration of the ten-calendar-
7	day period, regardless of whether the scheduled
8	mediation session occurs within the ten calendar days,
9	then the landlord shall only file an action for
10	summary possession after the expiration of twenty
11	calendar days following the tenant's receipt of the
12	ten-calendar day notice unless you (tenant) fail to
13	attend or cancel mediation. If the ten-calendar day
14	notice was mailed, receipt of notice shall be deemed
15	to be two days after the date of the postmark. If the
16	ten-calendar-day notice was posted on the premises,
17	receipt of notice shall be deemed to be the date of
18	posting. If an agreement is reached before the filing
19	of an action for summary possession, whether through
20	mediation or otherwise, then the landlord shall not
21	bring an action for summary possession against the

1		tenant for nonpayment of rent, except as provided in
2		any agreement that may be reached or if any such
3		agreement is breached. The landlord shall be required
4		to note the status of the mediation or settlement
5		effort and proof of sending or posting the ten-
6		calendar-day notice to the mediation center in the
7		action for summary possession in the summary
8		possession complaint.";
9	(8)	Notice that the eviction may be subject to additional
10		requirements and protections under state or federal
11		law and that the tenant is encouraged to seek the
12		tenant's own legal advice regarding their rights and
13		responsibilities; and
14	<u>(9)</u>	That the landlord or landlord's agent shall engage in
15		mediation if mediation is scheduled.
16	The	judiciary shall prepare a notice form that may be used
17	by landlo	rds and landlords' agents to provide the information
18	required	by this subsection and make the form available on its
19	website.	
20	<u>(c)</u>	Landlords or their agents shall provide the ten-
21	calendar	day notice to a mediation center on the island on which

1	the dwelling unit of the tenant is located that offers free
2	mediation for residential landlord-tenant matters. The
3	mediation center shall contact the landlord or landlord's agent
4	and the tenant to schedule the mediation. If a tenant schedules
5	mediation within the ten-calendar day period and participates in
6	the mediation, regardless of whether the scheduled mediation
7	session occurs within the ten day period, the landlord shall
8	only file a summary proceeding for possession after the
9	expiration of twenty calendar days from the date of receipt of
10	the ten-calendar day notice. If the tenant schedules mediation,
11	the landlord shall participate.
12	(d) The summary possession complaint for nonpayment of
13	rent shall include:
14	(1) A document or documents from the mediation center
15	verifying that the landlord provided a copy of the
16	required ten-calendar day notice to the mediation
17	center or an affirmation from the landlord or the
18	landlord's agent that the notice was provided to the
19	applicable mediation center and by what means the
20	notice was provided to the applicable mediation
21	center; and

1	(2) If mediation is pending, the date on which the
2	mediation is scheduled.
3	(e) If the mediation has not occurred as of, or been
4	scheduled for a future date after, the return hearing date on
5	the summary possession complaint, the court, in its discretion
6	and based on a finding of good cause, may order a separate
7	mediation.
8	(f) If there is any defect in the ten-calendar day notice
9	described in subsection (b) provided by the landlord and the
10	court determines the defect was unintentional or immaterial, the
11	court may allow the landlord to cure the defect without
12	dismissing the action for summary possession.
13	(g) Nothing in this section shall impact a landlord or
14	tenant's other rights and responsibilities under the Residential
15	Landlord-Tenant Code.
16	(h) The mediation may take place by means of remote
17	communication or in person, or both.
18	(i) If the mediation does not result in an agreement, the
19	landlord or landlord's agent may file an action for summary
20	possession without participating in mediation again.

- 1 [\(\frac{\(\bar{b}\)}{\(\bar{b}\)}\)] (j) A landlord or the landlord's agent may bring an
- 2 action for rent alone at any time after the landlord has
- 3 demanded payment of past due rent and notified the tenant of the
- 4 landlord's intention to bring such an action."
- 5 SECTION 3. There is appropriated out of the general
- 6 revenues of the State of Hawaii the sum of \$1,250,000 or so much
- 7 thereof as may be necessary for fiscal year 2023-2024 and the
- $oldsymbol{8}$ same sum or so much thereof as may be necessary for fiscal year
- 9 2024-2025 for the judiciary to contract for mediation services
- 10 pursuant to section 2 of this Act.
- 11 The sums appropriated shall be expended by the judiciary
- 12 for the purposes of this part.
- 13 PART II
- 14 SECTION 4. (a) There shall be established an emergency
- 15 rent relief program available to participants in pre-litigation
- 16 mediation pursuant to section 521-68, Hawaii Revised Statutes,
- 17 as amended by this Act, to provide resources that will help
- 18 avoid eviction and maintain stable tenancies.
- (b) Participants in the emergency rent relief program
- 20 shall receive payments after mediation as follows:

- 1 (1) A one-time payment of \$3,000 to be used for back rent;
- 2 and
- 3 (2) Four \$500 monthly payments;
- 4 provided that if a participant elects not to receive the one-
- 5 time payment of \$3,000, the participant may receive a fifth
- 6 monthly payment of \$500; provided further that the total amount
- 7 of payments per year shall not exceed \$11,000,000.
- 8 (c) The Hawaii public housing authority may enter into
- 9 memoranda of agreement with the counties or specialized non-
- 10 profit organizations as necessary to implement this section.
- (d) The Hawaii public housing authority shall be exempt
- 12 from chapter 103D, Hawaii Revised Statutes, in selecting a
- 13 qualified non-profit organization to administer the emergency
- 14 rent relief program and shall, without regard to chapter 91, ,
- 15 Hawaii Revised Statutes, establish rules and qualification
- 16 standards for participants of the pre-litigation mediation
- 17 program pursuant to section 521-68, Hawaii Revised Statutes, as
- 18 amended by this Act.
- 19 (e) The Hawaii public housing authority shall establish
- 20 rules pursuant to chapter 91, Hawaii Revised Statutes, to
- 21 implement the emergency rent relief program pursuant to this

- 1 section; provided that the rules, at a minimum, shall prohibit a
- 2 person from participating in the emergency rent relief program
- 3 more than once.
- 4 SECTION 5. There is appropriated out of the general
- 5 revenues of the State of Hawaii the sum of \$ or so
- 6 much thereof as may be necessary for fiscal year 2023-2024 and
- 7 the same sum or so much thereof as may be necessary for fiscal
- 8 year 2024-2025 for an emergency rent relief program to be made
- 9 available only to participants in the pre-litigation mediation
- 10 program, pursuant to section 4 of this Act, for the purposes of
- 11 avoiding eviction and maintaining stable tenancies.
- 12 The sums appropriated shall be expended by the Hawaii
- 13 public housing authority for the purposes of this Act.
- 14 PART III
- 15 SECTION 6. This Act does not affect rights and duties that
- 16 matured, penalties that were incurred, and proceedings that were
- 17 begun before its effective date.
- 18 SECTION 7. Statutory material to be repealed is bracketed
- 19 and stricken. New statutory material is underscored.
- 20 SECTION 8. This Act shall take effect upon approval;
- 21 provided that sections 3 and 5 shall take effect on July 1,



- 1 2023; provided further that this Act shall be repealed on
- 2 June 30, 2025, and section 521-68, Hawaii Revised Statutes,
- 3 shall be reenacted in the form in which it read on the day prior
- 4 to the effective date of this Act.

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INTRODUCED BY:

JAN 25 2023

Report Title:

Pre-litigation Mediation Pilot Program; Landlord; Tenant; Hawaii Public Housing Authority; Emergency Rent Relief Program; Appropriation

Description:

Establishes and appropriates funds for a pre-litigation mediation pilot program. Requires landlords to participate in mediation before filing an action for summary possession. Creates and appropriates funds for an emergency rent relief program.

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