

# GOV. MSG. NO. 1303

#### EXECUTIVE CHAMBERS KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D. GOVERNOR KE KIA'ĀINA

July 5, 2024

The Honorable Ronald D. Kouchi President of the Senate, and Members of the Senate Thirty-Second State Legislature State Capitol, Room 409 Honolulu, Hawai'i 96813 The Honorable Scott K. Saiki Speaker, and Members of the House of Representatives Thirty-Second State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on July 5, 2024, the following bill was signed into law:

HB2742 HD1 SD2 CD1

RELATING TO THE LANDLORD-TENANT CODE. **ACT 202** 

Sincerely,

Josh Green, M.D.

Governor, State of Hawai'i

on\_\_\_JUL 5 2024

ACT 202

HOUSE OF REPRESENTATIVES THIRTY-SECOND LEGISLATURE, 2024 STATE OF HAWAII

H.B. NO. H.D. 1 S.D. 2 C.D. 1

# A BILL FOR AN ACT

RELATING TO THE LANDLORD-TENANT CODE.

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

- 1 SECTION 1. The legislature finds that, due to the August
- 2 2023 Maui wildfires, thousands of Hawaii residents have lost
- 3 their jobs and have been unable to pay their rent. The governor
- 4 has issued proclamations relating to wildfires to provide
- 5 protections for tenants struggling to pay rent during this time,
- 6 including an eviction moratorium that prohibits any eviction
- 7 from a residential dwelling unit for failure to pay rent. The
- 8 legislature finds, however, that the eviction moratorium will
- 9 eventually expire. Therefore, a balanced approach is needed to
- 10 encourage communications and facilitate mediation between
- 11 landlords and tenants to help reduce the large number of summary
- 12 possession proceedings that are expected to follow the
- 13 expiration of certain wildfire proclamations.
- 14 Accordingly, the purpose of this Act is to establish a
- 15 pre-litigation mediation procedure for tenancies that are
- 16 subject to the eviction moratorium issued under the governor's

	emergency	procramations relating to writings once the eviction
2	moratoriu	m expires. The procedure includes:
3	(1)	Requiring landlords to:
4		(A) Provide tenants a fifteen-calendar-day written
5		notice before bringing an action for summary
6		possession of the dwelling unit;
7		(B) Provide the notice to a state-funded mediation
8		center that offers free mediation for residential
9		landlord-tenant matters; and
10		(C) Engage in mediation and delay filing of the
11		action for summary possession if a tenant
12		schedules or attempts to schedule a mediation;
13	(2)	Prohibiting landlords from bringing summary possession
14		actions for failure to pay rent unless the rent amount
15		due exceeds certain months' worth depending on the
16		period passed after the expiration of the final
17		eviction moratorium; and
18	(3)	Requiring tenants and landlords to be responsible for
19		their own attorney's fees and costs related to
20		pre-litigation mediation.

1	SECTION 2. Chapter 521, Hawaii Revised Statutes, is
2	amended by adding a new section to be appropriately designated
3	and to read as follows:
4	"§521- Pre-litigation mediation for tenancies subject
5	to certain emergency proclamations. (a) This section shall
6	apply to any tenancy subject to suspension of sections 521-68
7	and 521-71 and chapter 666, under emergency proclamations issued
8	by the governor and relating to wildfires when it becomes
9	legally permissible to terminate a residential tenancy for
10	nonpayment of rent.
11	(b) A landlord or the landlord's agent, any time after
12	rent is due, may demand payment thereof and notify the tenant in
13	writing that unless payment is made within a time period
14	mentioned in the notice as provided in subsection (c), not less
15	than fifteen calendar days after receipt thereof, the rental -
16	agreement shall be terminated. If the tenant cannot be served
17	with notice as required, notice may be given to the tenant by
18	posting the same in a conspicuous place on the dwelling unit,
19	and the notice shall be deemed received on the date of posting.
20	If the tenant remains in default, the landlord may thereafter
21	bring a summary proceeding for possession of the dwelling unit

1	or any ot	her proper proceeding, action, or suit for possession,
2	subject to	o subsections (c) through (j). The notice required in
3	this sect	ion need not be given if the action is based on the
4	breach of	a mediated agreement or other settlement agreement.
5	<u>(c)</u>	The fifteen-calendar-day notice shall provide, at a
6	minimum,	the following information:
7	(1)	The name of the landlord or the landlord's agent and
8		the landlord's or landlord's agent's contact
9		information, including, if possible, phone number,
10	·	electronic mail address, and mailing address;
11	(2)	The address of the dwelling unit subject to the rental
12		agreement;
13	(3)	The name and contact information of each tenant,
14		including, if possible, phone number, electronic mail
15		address, and mailing address;
16	(4)	The monthly rental rate of the dwelling unit;
17	(5)	The current amount of the rent due as of the date of
18		the notice, after applying all rent paid from all
19	• .	sources;

1	<u>(6)</u>	Whether the landlord or landlord's agent has applied
2		for rental assistance or been contacted on behalf of
3		the tenant by any agency providing rental assistance;
4	<u>(7)</u>	That any rental assistance received by the landlord or
5		landlord's agent has been credited to the tenant's
6		amount due;
7	(8)	That a copy of the fifteen-calendar-day notice being
8		provided to the tenant is also being provided to the
9		mediation center to be identified by the landlord and,
10		in accordance with subsection (d), in order for the
11		mediation center to contact the landlord and tenant to
12		attempt to schedule a mediation regarding the
13		nonpayment of rent;
14	<u>(9)</u>	That the mediation center will provide proof to the
15		landlord that the notice was received and provide
16		confirmation of the scheduled date and time of
17		mediation;
18	(10)	That the landlord or landlord's agent may file an
19		action for summary possession if the rent due is not
20		paid and if mediation is not scheduled within fifteen
21		calendar days after the tenant's receipt of the

1		fifteen-calendar-day notice, regardless of whether the
2		scheduled mediation session occurs within the fifteen
3		calendar days;
4	(11)	A warning in bold typeface print that says: "If
5		mediation is not scheduled within fifteen calendar
6		days after receipt of the notice, regardless of
7		whether the scheduled mediation session occurs within
8		the fifteen-calendar-day period, then the landlord may
9		file an action for summary possession after the
10		expiration of the fifteen-calendar-day period. If
11		mediation is scheduled before the expiration of the
12		fifteen-calendar-day period, regardless of whether the
13		scheduled mediation session occurs within the fifteen
14		calendar days, then the landlord shall only file an
15		action for summary possession after the expiration of
16		thirty calendar days following the tenant's receipt of
17		the fifteen-calendar-day notice. If the tenant
18		cancels the scheduled mediation or does not appear at
19		the scheduled mediation, the landlord may file the
20		summary possession action immediately and shall not be
21		required to wait for the expiration of the thirty

1		calendar days. If the fifteen-calendar-day notice was
2		mailed, receipt of notice shall be deemed to be two
3		days after the date of the postmark. If the
4		fifteen-calendar-day notice was posted on the
5	÷	premises, receipt of notice shall be deemed to be the
6		date of posting. If an agreement is reached before
7		the filing of an action for summary possession,
8		whether through mediation or otherwise, then the
9		landlord shall not bring an action for summary
10		possession against the tenant, except as provided in
11		any agreement that may be reached. The landlord shall
12		be required to note the status of the mediation or
13		settlement effort and proof of sending or posting the
14		fifteen-calendar-day notice to the mediation center in
15	,	the action for summary possession.";
16	(12)	Notice that the eviction may be subject to additional
17		requirements and protections under state or federal
18		law and that the tenant is encouraged to seek the
19		tenant's own legal advice regarding their rights and

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2	engage in mediation if mediation is scheduled.
3	(d) The landlord or the landlord's agent shall provide the
4	fifteen-calendar-day notice to any mediation center funded by
5	the State that offers free mediation for residential
6	landlord-tenant matters. The mediation center shall contact the
7	landlord or landlord's agent and the tenant to schedule the
8	mediation within fifteen calendar days of receipt of the
9	landlord's notice pursuant to subsection (c). The mediation
10	center shall offer to facilitate the mediation using remote
11	means, such as video conferencing, telephone, or other similar
12	means, and shall not require in-person mediation. If a tenant
13	schedules mediation within the fifteen-calendar-day period,
14	regardless of whether the scheduled mediation session occurs
15	within the fifteen-calendar-day period, the landlord shall only
16	file a summary proceeding for possession after the expiration of
17	thirty calendar days from the date of the tenant's receipt of
18	the landlord's notice. If the tenant schedules mediation, the
19	landlord and tenant shall participate. If the tenant schedules
20	but then cancels a mediation, or if the tenant does not appear
1	
21	at the scheduled mediation, the landlord may file the action for

1	summary p	ossession immediately and shall not be required to wait
2	for the e	xpiration of the thirty calendar days.
3	(e)	The summary possession complaint for nonpayment of
4	rent shal	l include:
5	(1)	A document or documents from the mediation center
6		verifying that the landlord provided a copy of the
7		required fifteen-calendar-day notice to the mediation
8		center;
9	(2)	A statement as to whether the landlord or landlord's
10		agent and tenant have participated in, or will
11		participate in, any scheduled mediation; and
12	(3)	If mediation is pending, the date on which the
13		mediation is scheduled.
14	<u>(f)</u>	If the mediation has not occurred as of, or been
15	scheduled	for a future date after, the return hearing date on
16	the summa	ry possession complaint, the court, in its discretion
17	and based	on a finding of good cause, may order a separate
18	mediation	<u>.</u>
19	(g)	If the mediation has occurred as of the return hearing
20	date on t	he summary possession complaint, the court, in its

1	discretio	n and based on a finding of good cause, may order a
2	separate	mediation.
3	(h)	If there is any defect in the fifteen-calendar-day
4	notice de	scribed in subsection (c) provided by the landlord, and
5	the court	determines that the defect was unintentional and
6	<u>immateria</u>	1, the court may allow the landlord to cure the defect
7	without d	ismissing the action for summary possession.
8	(i)	No landlord may bring an action for summary possession
9	for a ten	ant's failure to pay rent except pursuant to this
10	section a	nd as follows:
11	(1)	Beginning on the first day after the expiration date
12		of the final eviction moratorium through the
13		thirtieth day after the expiration date of the final
14		eviction moratorium, the rent due shall be equal to or
15		greater than four months of rent;
16	(2)	Beginning on the thirty-first day after the expiration
17		date of the final eviction moratorium through the
18		ninety-first day after the expiration date of the
19		final eviction moratorium, the rent due shall be equal
20		to or greater than three months of rent;

1	<u>(3)</u>	Beginning on the ninety-second day after the
2		expiration date of the final eviction moratorium
3		through the one hundred fifty-second day after the
4		expiration date of the final eviction moratorium, the
5	•	rent due shall be equal to or greater than two months
. 6	45.5	of rent; and
7	(4)	Beginning on the one hundred fifty-third day after the
8		expiration date of the final eviction moratorium
9		through the three hundred sixty-fifth day after the
10		expiration date of the final eviction moratorium, the
11		rent due shall be equal to or greater than one month
12		rent.
13	For	purposes of this subsection, "final eviction
14	moratoriu	m" means an emergency proclamation or supplementary
15	proclamat	ion, or any extension thereof, issued by the governor
16	and relat	ing to wildfires, that prohibits any eviction from a
17	residenti	al dwelling for a failure to pay rent, and either is
18	not inten	ded to be renewed by the governor or, if renewed or
19	extended,	is not intended to include any prohibition related to
20	evictions	from a residential dwelling unit for failure to pay
21	rent; pro	vided that nothing in this section shall prevent the

- 1 governor from either renewing or issuing a new emergency
- 2 proclamation that contains a prohibition against eviction from a
- 3 residential dwelling for failure to pay rent if that intention
- 4 should change.
- 5 (j) Each tenant and landlord shall be responsible for
- 6 bearing the party's own costs, including attorney's fees,
- 7 relating to the mediation.
- 8 (k) A landlord or the landlord's agent may bring an action
- 9 for rent alone at any time after the landlord has demanded
- 10 payment of past due rent and notified the tenant of the
- 11 landlord's intention to bring such an action."
- 12 SECTION 3. The suspension of sections 521-68 and 521-71,
- 13 Hawaii Revised Statutes, and chapter 666, Hawaii Revised
- 14 Statutes, in effect as of July 1, 2024, under the various
- 15 proclamations issued by the governor and relating to wildfires
- 16 may continue until termination of the proclamation by the
- 17 governor or expiration of the proclamation.
- 18 SECTION 4. There is appropriated out of the general
- 19 revenues of the State of Hawaii the sum of \$410,000 or so much
- 20 thereof as may be necessary for fiscal year 2024-2025 for the

- 1 judiciary to contract for mediation services required by this
- 2 Act.
- 3 The sum appropriated shall be expended by the judiciary for
- 4 the purposes of this Act.
- 5 SECTION 5. This Act does not affect rights and duties that
- 6 matured, penalties that were incurred, and proceedings that were
- 7 begun before its effective date; provided that any contract in
- 8 effect prior to the effective date of this Act that is
- 9 subsequently renewed or extended on or after the effective date
- 10 of this Act shall comply with the requirements of this Act.
- 11 SECTION 6. This Act shall not be applied so as to impair
- 12 any contract existing as of the effective date of this Act in a
- 13 manner violative of either the Hawaii State Constitution or
- 14 article I, section 10, of the United States Constitution.
- 15 SECTION 7. New statutory material is underscored.
- 16 SECTION 8. This Act shall take effect on July 1, 2024;
- 17 provided that the governor shall notify the chief justice,
- 18 legislature, and revisor of statutes no later than twenty days
- 19 prior to the expiration of the final eviction moratorium
- 20 identified in section 2 of this Act, that the governor will not
- 21 issue any further eviction moratoria in response to the

- 1 wildfires; provided further that section 2 of this Act shall
- 2 take effect on the date of the expiration of the final eviction
- 3 moratorium identified in section 2 of this Act; provided further
- 4 that on December 31, 2026, or upon the one-year anniversary of
- 5 the expiration date identified by the governor, whichever occurs
- 6 first, all provisions of this Act except section 4 shall be

Int Diel -

7 repealed.

APPROVED this 5th day of July , 2024

**GOVERNOR OF THE STATE OF HAWAII** 

#### THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 1, 2024 Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Second Legislature of the State of Hawaii, Regular Session of 2024.

Ben

Scott K. Saiki Speaker House of Representatives

Mi Li , let

Brian L. Takeshita

Chief Clerk

House of Representatives

### THE SENATE OF THE STATE OF HAWAI'I

Date: May 1, 2024 Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-Second Legislature of the State of Hawai'i, Regular Session of 2024.

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Clerk of the Senate