# A BILL FOR AN ACT

RELATING TO EVICTION MEDIATION.

### 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 (Act 57),
5	encouraged communication and facilitated mediation between
6	landlords and tenants to help reduce summary possession cases.
7	Research indicates that the mediation procedures created by Act
8	57 were widely successful in substantially increasing the number
9	of disputes that were settled in mediation without any summary
10	possession case being filed and the number of settlements in
11	which the parties agreed that the tenant could continue to
12	reside in the dwelling unit. However, the amendments made to
13	the landlord-tenant code by Act 57 have been repealed.
14	The legislature further finds that the availability of
15	rental relief is a key factor to ensuring housing stability and
16	that combining rent relief with a robust pre-litigation
17	mediation process is likely to lead to significantly better

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

## H.B. NO. 1439 H.D. 2

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

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

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

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

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

1	mediation	center shall contact the landlord or landlord's agent
2	and the t	enant to schedule the mediation. If a tenant schedules
3	mediation	within the ten-calendar-day period and participates in
4	the media	tion, regardless of whether the scheduled mediation
5	session o	ccurs within the ten-calendar-day period, the landlord
6	shall onl	y file a summary proceeding for possession after the
7	expiratio	n of twenty calendar days from the date of receipt of
8	the ten-c	alendar-day notice. If the tenant schedules mediation,
9	the landl	ord shall participate.
10	(d)	The summary possession complaint for nonpayment of
11	rent shal	l include:
12	(1)	A document or documents from the mediation center
13		verifying that the landlord provided a copy of the
14		required ten-calendar-day notice to the mediation
15		center or an affirmation from the landlord or the
16		landlord's agent that the notice was provided to the
17		applicable mediation center and by what means the
18		notice was provided to the applicable mediation
19		center; and
20	(2)	If mediation is pending, the date on which the
21		mediation is scheduled.

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

[<del>(b)</del>] (j) A landlord or the landlord's agent may bring an

action for rent alone at any time after the landlord has

19

20

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

## H.B. NO. 1439 H.D. 2

- 1 under the program and may elect to receive payment in one of the
  2 following methods:
- 3 (1) A one-time payment of \$3,000 to be used for back rent,
- 4 plus an additional four monthly payments of \$500; or
- 5 (2) Ten monthly payments of \$500.
- 6 (c) The total amount of payments each year under the
- 7 emergency rent relief program shall not exceed \$11,250,000.
- 8 (d) The Hawaii public housing authority may enter into
- 9 memoranda of agreement with the counties or qualified non-profit
- 10 organizations as necessary to implement this section.
- 11 (e) 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 the emergency rent relief program; provided that
- 17 the rules, at a minimum, shall prohibit a tenant from
- 18 participating in the emergency rent relief program more than
- 19 once.
- 20 SECTION 5. There is appropriated out of the general
- 21 revenues of the State of Hawaii the sum of \$ or so

1	much then	reof as may be necessary for fiscal year 2023-2024 and
2	the same	sum or so much thereof as may be necessary for fiscal
3	year 2024	1-2025:
4	(1)	For an emergency rent relief program to be made
5		available only to participants in the pre-litigation
6		mediation pilot program, pursuant to section 521-68,
7		Hawaii Revised Statutes, as amended by section 2 of
8		this Act, for the purposes of avoiding eviction and
9		maintaining stable tenancies; and
10	(2)	To fund the cost of administering the emergency rent
11		relief program, including administrative and
12		monitoring expenses incurred by the Hawaii Public
13		Housing Authority and the nonprofit intermediary
14		recipient.
15	The	sums appropriated shall be expended by the Hawaii
16	public ho	ousing authority for the purposes of this Act.
17		PART III
18	SEC:	FION 6. This Act does not affect rights and duties that
19	matured,	penalties that were incurred, and proceedings that were

20 begun before its effective date.

## H.B. NO. 1439 H.D. 2

- 1 SECTION 7. Statutory material to be repealed is bracketed
- 2 and stricken. New statutory material is underscored.
- 3 SECTION 8. This Act shall take effect on June 30, 3000;
- 4 provided that:
- 5 (1) Section 2 shall take effect on September 1, 2023; and
- 6 (2) Sections 3 and 5 shall take effect on July 1, 2023;
- 7 provided further that this Act shall be repealed on June 30,
- 8 2025, and section 521-68, Hawaii Revised Statutes, shall be
- 9 reenacted in the form in which it read on the day prior to the
- 10 effective date of section 2 of this Act.

11

#### 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. Effective 6/30/3000. (HD2)

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