HOUSE OF REPRESENTATIVES THIRTY-SECOND LEGISLATURE, 2023 STATE OF HAWAII



## 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 thus face eviction. Act 57, Session Laws of Hawaii 2021 (Act 4 5 57), 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 57 were widely successful in substantially increasing the number 8 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 However, the amendments made to 13 the landlord-tenant code by Act 57 have been repealed.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

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1	outcomes	than	mediation that starts only after litigation is	
2	filed or rent relief alone.			
3	Acco	rding	ly, the purpose of this Act is to:	
4	(1)	Esta	blish a pilot program that adopts the most	
5	effective provisions 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;	
18	(2)	Appr	opriate funds for the pre-litigation mediation	
19		pilo	t program; and	
20	(3)	Establish an emergency rent relief program available		
21		to p	articipants in pre-litigation mediation to provide	

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1	resources that will help tenants avoid eviction and
2	maintain 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 [ <del>may</del> ], any time after rent is due, <u>may</u> demand
8	payment thereof and notify the tenant in writing that unless
9	payment is made within a time mentioned in the notice[, not] <u>as</u>
10	provided in subsection (b), no less than [five business] ten
11	calendar days after receipt thereof, the rental agreement will
12	be terminated. [ <del>If the tenant cannot be served with notice as</del>
13	<del>required, notice</del> ] <u>Notice</u> may be given <u>to</u> the tenant by posting
14	the same in a conspicuous place on the dwelling unit[ $\pm$ ], 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 the date of the postmark, unless the letter is returned to
20	the landlord as undeliverable. If the tenant remains in
21	default $[, -]$ after the expiration of the time stated in the



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1	notice, t	he landlord may thereafter bring a summary proceeding	
2	for possession of the dwelling unit or any other proper		
3	proceeding, action, or suit for possession[+], subject to		
4	subsectio	ns (b) through (i). The notice required by this	
5	section need not be given if the action is based on the breach		
6	of a mediated agreement or other settlement agreement, or is for		
7	a summary possession proceeding based on matters other than		
8	non-payment of rent. If the summary possession action is based		
9	on the breach of a settlement agreement or mediated agreement,		
10	the court shall not require any further mediation prior to		
11	trial.		
12	(b)	The ten-calendar-day notice shall provide the	
13	following	<u>:</u>	
14	(1)	The name of the landlord or the landlord's agent and	
15		the landlord's or landlord's agent's contact	
16	information, including, if possible, phone number,		
17		electronic mail address, and mailing address;	
18	(2)	The address of the dwelling unit subject to the rental	
19		agreement;	
20	(3)	The name and contact information of all tenants listed	
21		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 on which the dwelling	
9		unit 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	(6)	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	
17		ten-calendar-day notice, regardless of whether the	
18		scheduled mediation session occurs within the ten	
19		calendar days;	
20	(7)	A warning in bold typeface print in substantially the	
21		following form: "If mediation is not scheduled within	

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

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1		summary possession against the tenant for nonpayment
2		of rent, except as provided in any agreement that may
3		be reached or if any such agreement is breached. If
4		filing an action for summary possession, the landlord
5		shall be required to note, in the summary possession
6		complaint, the status of the mediation or settlement
7		effort and proof of sending or posting the
8		ten-calendar-day notice to the mediation center.";
9	(8)	Notice that the eviction may be subject to additional
10		requirements and protections under federal or state
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	(9)	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	(c)	Landlords or their agents shall provide the
21	ten-calen	dar-day notice to a mediation center on the island on



H.B. NO. <sup>1439</sup> H.D. 2 S.D. 2

1	which the dwelling unit of the tenant is located that offers		
2	free 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-calendar-day period, the landlord		
8	shall only file a summary possession proceeding after the		
9	expiration of twenty calendar days from the date of the tenant's		
10	receipt of the ten-calendar-day notice. If the tenant schedules		
11	mediation, 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 the means by which the		
20	notice was provided to the applicable mediation		
21	center; and		

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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 has 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's or
14	tenant's other rights and responsibilities under this chapter.
15	(h) The mediation may take place by means of remote
16	communication or in person, or both.
17	(i) If the mediation does not result in an agreement, the
18	landlord or landlord's agent may file an action for summary
19	possession without participating in an additional mediation.
20	$\left[\frac{b}{b}\right]$ (j) A landlord or the landlord's agent may bring an
21	action for rent alone at any time after the landlord has

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## H.B. NO. <sup>1439</sup> H.D. 2 S.D. 2

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		
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		
11 12	PART II SECTION 4. (a) There shall be established within the		
12	SECTION 4. (a) There shall be established within the		
12 13	SECTION 4. (a) There shall be established within the Hawaii public housing authority an emergency rent relief program		
12 13 14	SECTION 4. (a) There shall be established within the Hawaii public housing authority an emergency rent relief program available only to participants in pre-litigation mediation		
12 13 14 15	SECTION 4. (a) There shall be established within the Hawaii public housing authority an emergency rent relief program available only to participants in pre-litigation mediation pursuant to section 521-68, Hawaii Revised Statutes, as amended		
12 13 14 15 16	SECTION 4. (a) There shall be established within the Hawaii public housing authority an emergency rent relief program available only to participants in pre-litigation mediation pursuant to section 521-68, Hawaii Revised Statutes, as amended by this Act, to provide resources that will help tenants avoid		
12 13 14 15 16 17	SECTION 4. (a) There shall be established within the Hawaii public housing authority an emergency rent relief program available only to participants in pre-litigation mediation pursuant to section 521-68, Hawaii Revised Statutes, as amended by this Act, to provide resources that will help tenants avoid eviction and maintain stable tenancies.		

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receiving a maximum of \$ under the program and may 1 2 elect to receive one of the following forms of payment: 3 (1) A one-time payment of \$ to be used for back 4 rent, plus an additional four monthly payments of 5 \$ ; or 6 (2) Ten monthly payments of \$ 7 The total amount of payments made to participants each (C) 8 fiscal year under the emergency rent relief program shall not 9 exceed \$ 10 (d) The Hawaii public housing authority may enter into 11 memoranda of agreement with the counties or qualified non-profit 12 organizations, as necessary, to implement this section. 13 The Hawaii public housing authority shall be exempt (e) 14 from chapter 103D, Hawaii Revised Statutes, in selecting a 15 qualified non-profit organization to administer the emergency 16 rent relief program and shall, without regard to chapter 91, 17 Hawaii Revised Statutes, establish rules and qualification 18 standards for the emergency rent relief program; provided that 19 the rules, at a minimum, shall prohibit a tenant from 20 participating in the emergency rent relief program more than 21 once.

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SECTION 5. There is appropriated out of the general 1 2 revenues of the State of Hawaii the sum of \$ or so 3 much thereof as may be necessary for fiscal year 2023-2024 and 4 the same sum or so much thereof as may be necessary for fiscal 5 year 2024-2025: 6 For an emergency rent relief program to be made (1) 7 available only to participants in the pre-litigation 8 mediation pilot program, pursuant to section 521-68, Hawaii Revised Statutes, as amended by section 2 of 9 10 this Act, for the purposes of avoiding eviction and maintaining stable tenancies; and 11 To fund the cost of administering the emergency rent 12 (2) 13 relief program, including administrative and 14 monitoring expenses incurred by the Hawaii public 15 housing authority and the nonprofit organization 16 acting as the intermediary recipient. 17 The sums appropriated shall be expended by the Hawaii 18 public housing authority for the purposes of this Act.

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1	PART III	
2	SECTION 6. This Act does not affect rights and d	uties that
3	matured, penalties that were incurred, and proceedings	that were
4	begun before its effective date.	
5	SECTION 7. Statutory material to be repealed is	bracketed
6	and stricken. New statutory material is underscored.	
7	SECTION 8. This Act shall take effect on June 30	, 3000;
8	provided that:	
9	(1) Section 2 shall take effect on November 1, 2	023;
10	(2) Sections 3 and 5 shall take effect on July 1	, 2023;
11	and	
12	(3) This Act shall be repealed on November 1, 20	25, and
13	section 521-68, Hawaii Revised Statutes, sha	ll be
14	reenacted in the form in which it read on th	e day
15	prior to the effective date of section 2 of	this Act.



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#### Report Title:

Judiciary; Pre-litigation Mediation Pilot Program; Landlords; Tenants; HPHA; Emergency Rent Relief Program; Appropriation

#### Description:

Beginning 11/1/2023, establishes a pre-litigation mediation pilot program that extends the period for a notice of termination of the rental agreement from 5 business days to 10 calendar days, requires landlords to participate in mediation before filing an action for summary possession, and requires landlords to provide specific information in the 10-calendar-day notice to tenants and a mediation center that offers free mediation for residential landlord-tenant disputes. Appropriates funds for a pre-litigation mediation pilot program. Creates and appropriates funds for an emergency rent relief program. Repeals on 11/1/2025. Effective 6/30/3000. (SD2)

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

