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 wildfires on
- 2 Maui during 2023, thousands of Hawaii residents have lost their
- 3 jobs and have been unable to pay their rent. The governor has
- 4 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 expire. Therefore, a balanced approach is needed to encourage
- 10 communications and facilitate mediation between landlords and
- 11 tenants to help reduce the large number of summary possession
- 12 proceedings that are expected to follow the expiration of
- 13 certain wildfire proclamations.
- 14 Accordingly, the purpose of this Act is to establish a pre-
- 15 litigation mediation procedure for tenancies that are subject to
- 16 the eviction moratorium issued under the governor's emergency

1	proclamat	ions relating to wildfires once the eviction moratorium
2	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 pre-
20		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:
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	(7)	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 fifteen-
4		calendar-day notice was posted on the premises,
5		receipt of notice shall be deemed to be the date of
6		posting. If an agreement is reached before the filing
7		of an action for summary possession, whether through
8		mediation or otherwise, then the landlord shall not
9		bring an action for summary possession against the
10		tenant, except as provided in any agreement that may
11		be reached. The landlord shall be required to note
12		the status of the mediation or settlement effort and
13		proof of sending or posting the fifteen-calendar-day
14		notice to the mediation center in the action for
15		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
20		responsibilities; and

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

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

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

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

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

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1 SECTION 5. In accordance with section 9 of article VII, of 2 the Constitution of the State of Hawaii and sections 37-91 and 3 37-93, Hawaii Revised Statutes, the legislature has determined 4 that the appropriation contained in this Act will cause the state general fund expenditure ceiling for fiscal year 2024-2025 5 6 to be exceeded by \$ per cent. The reasons , or 7 for exceeding the general fund expenditure ceiling are that the 8 appropriation made in this Act is necessary to serve the public 9 interest and to meet the needs provided for by this Act. 10 SECTION 6. This Act does not affect rights and duties that 11 matured, penalties that were incurred, and proceedings that were begun before its effective date; provided that any contract in 12 effect prior to the effective date of this Act that is 13 14 subsequently renewed or extended on or after the effective date 15 of this Act shall comply with the requirements of this Act. SECTION 7. This Act shall not be applied so as to impair 16 **17** any contract existing as of the effective date of this Act in a 18 manner violative of either the Hawaii State Constitution or 19 article I, section 10, of the United States Constitution. 20 SECTION 8. New statutory material is underscored.

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- 1 SECTION 9. This Act shall take effect on July 1, 2040;
- 2 provided that the governor shall notify the chief justice,
- 3 legislature, and revisor of statutes no later than twenty days
- 4 prior to the expiration of the final eviction moratorium
- 5 identified in section 2 of this Act, that the governor will not
- 6 issue any further eviction moratoria in response to the
- 7 wildfires; provided further that section 2 of this Act shall
- 8 take effect on the date of the expiration of the final eviction
- 9 moratorium identified in section 2 of this Act.

Report Title:

Landlord-Tenant Code; Summary Possession Proceedings; Notice; Mediation; Wildfires; Moratorium; Emergency Proclamation; Expenditure Ceiling; Appropriation

Description:

Extends the notice period for summary possession proceedings from five days to fifteen days for failure to pay rent. Requires landlords to provide the notice to mediation centers. Requires landlords to enter into mediation if scheduled by a tenant, which will delay when a landlord may file an action for summary possession except in cases where a tenant cancels the mediation or does not appear. Restricts when landlord remedies are available depending on the amount of rent due. Declares that the general fund expenditure ceiling is exceeded. Appropriates funds. Takes effect 7/1/2040. (SD1)

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