JAN 25 2023

A BILL FOR AN ACT

RELATING TO HOUSING.

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

- 1 SECTION 1. The legislature acknowledges that working
- 2 families in Hawaii are facing increasing housing insecurity and
- 3 displacement. Many renters in Hawaii lose their housing through
- 4 processes that never register as evictions because they happen
- 5 at the end of a lease term. Landlords can decline to renew a
- 6 lease, even for complying tenants, without cause. These
- 7 arbitrary lease nonrenewals are highly disruptive to the lives
- 8 of tenants, and are a cause of poverty, financial insecurity,
- 9 and emotional distress.
- 10 The legislature finds that under the residential landlord-
- 11 tenant code, landlords are required to provide just forty-five
- 12 days notice to terminate a month-to-month tenancy, and just ten
- 13 days to terminate a week-to-week tenancy. Fixed term leases--
- 14 for example, a one-year lease--have no notice requirement.
- 15 Instead, landlords are recommended to give notice prior to the
- 16 lease expiration.



The legislature further finds that short notice or lack of 1 2 notice imposes serious hardship on many tenants, who struggle to locate adequate housing in Hawaii's increasingly tight rental 3 market and face serious economic burdens to cover the costs of 4 5 relocation, including application fees, safety deposits, rent, and taking days off of work to inspect units and move their 6 belongings. Given the realities of Hawaii's current rental 7 8 market, the legislature finds that tenants need additional time 9 to secure adequate housing. 10 Therefore, the purpose of this Act is to improve tenants' ability to secure adequate housing in the event of a lease 11 12 nonrenewal by increasing the required notice period. 13 SECTION 2. Section 521-21, Hawaii Revised Statutes, is 14 amended to read as follows: 15 "\$521-21 Rent. (a) The landlord and tenant may agree to 16 any consideration, not otherwise prohibited by law, as rent. the absence of such agreement, and subject to section [521-17 $\frac{71(e)}{2}$ 521-71(f) in the case of holdover tenants, the tenant 18 shall pay to the landlord the fair rental value for the dwelling 19 20 unit.

- 1 (b) Rents shall be payable at the time and place agreed to
- 2 by the parties. Unless otherwise agreed, the entire rent shall
- 3 be payable at the beginning of any term for one month or less,
- 4 and for longer terms in equal monthly installments payable at
- 5 the beginning of each month. When a rental agreement with a
- 6 public assistance recipient requires that the rent be paid on or
- 7 before the third day after the day on which the public
- 8 assistance check is usually received, the tenant shall have the
- 9 option of establishing a new due date by making a one-time
- 10 payment to cover the period between the original due date and
- 11 the newly established date. The new date shall not exceed by
- 12 more than three days, excluding Saturdays, Sundays, and
- 13 holidays, the date on which checks are mailed. The one-time
- 14 payment shall be established by dividing the monthly rental by
- 15 thirty and multiplying the result by the number of days between
- 16 the original and the new due dates.
- 17 (c) Except as otherwise provided in subsection (b), rent
- 18 shall be uniformly apportionable from day to day.
- (d) When the tenancy is established pursuant to a rental
- 20 agreement with a term greater than ninety days, the amount of
- 21 rent for an immediately subsequent tenancy, regardless of



1 whether the immediately subsequent tenancy is pursuant to a 2 subsequent rental agreement, including any renewal, or pursuant 3 to a subsequent month-to-month tenancy, between the same 4 landlord and tenant shall not be increased by the landlord 5 without written notice given ninety consecutive days prior to 6 the expiration of the original rental agreement; provided that 7 when the tenancy is established pursuant to a rental agreement with a term greater than two years, the amount of rent for an 8 9 immediately subsequent tenancy between the same landlord and 10 tenant shall not be increased by the landlord without written 11 notice given one hundred twenty consecutive days before the 12 expiration of the original rental agreement. 13 $\left[\frac{d}{d}\right]$ (e) When the tenancy is from month to month, the 14 amount of rent for such tenancy shall not be increased by the 15 landlord without written notice given [forty-five] ninety 16 consecutive days prior to the effective date of the increase. 17 [+(e)] (f) When the tenancy is less than month to month, 18 the amount of rent for such tenancy shall not be increased by 19 the landlord without written notice given [fifteen] thirty 20 consecutive days prior to the effective date of the increase.

1 $\left[\frac{f}{f}\right]$ (g) Where the rental agreement provides for a late charge payable to the landlord for rent not paid when due, the 2 3 late charge shall not exceed eight per cent of the amount of rent due." 4 SECTION 3. Section 521-71, Hawaii Revised Statutes, is 5 amended to read as follows: 6 7 "§521-71 Termination of tenancy; landlord's remedies for holdover tenants. (a) When the tenancy is month-to-month, the 8 9 landlord may terminate the rental agreement by notifying the 10 tenant, in writing, at least [forty-five] ninety days in advance of the anticipated termination. When the landlord provides 11 12 notification of termination, the tenant may vacate at any time within the last [forty-five] ninety days of the period between 13 14 the notification and the termination date, but the tenant shall notify the landlord of the date the tenant will vacate the 15 16 dwelling unit and shall pay a prorated rent for that period of 17 occupation. When the tenancy is month-to-month the tenant may 18 19 terminate the rental agreement by notifying the landlord, in

writing, at least twenty-eight days in advance of the

anticipated termination. When the tenant provides notice of

20

21

- 1 termination, the tenant shall be responsible for the payment of
- 2 rent through the twenty-eighth day.
- 3 (c) Before a landlord terminates a month-to-month tenancy
- 4 where the landlord contemplates voluntary demolition of the
- 5 dwelling units, conversion to a condominium property regime
- 6 under chapter 514B, or changing the use of the building to
- 7 transient vacation rentals, the landlord shall provide notice to
- 8 the tenant at least one hundred twenty days in advance of the
- 9 anticipated demolition or anticipated termination. If notice is
- 10 revoked or amended and reissued, the notice period shall begin
- 11 from the date it was reissued or amended. Any notice provided,
- 12 revoked, or amended and reissued shall be in writing. When the
- 13 landlord provides notification of termination pursuant to this
- 14 subsection, the tenant may vacate at any time within the one-
- 15 hundred-twenty-day period between the notification and the
- 16 termination date, but the tenant shall notify the landlord of
- 17 the date the tenant will vacate the dwelling unit and shall pay
- 18 a prorated rent for that period of occupation.
- 19 (d) When the tenancy is less than month-to-month, the
- 20 landlord or the tenant may terminate the rental agreement by

notifying the other at least [ten] thirty days before the 1 2 anticipated termination. 3 (e) When the tenancy is established pursuant to a rental 4 agreement with a term greater than ninety days, the landlord or 5 tenant shall notify the other of any intent to terminate the rental agreement at least ninety days before the expiration of 6 7 the rental agreement; provided that when the tenancy is 8 established pursuant to a rental agreement with a term greater 9 than two years, the landlord or tenant shall notify the other of 10 any intent to terminate rental agreement at least one hundred 11 twenty days before the expiration of the rental agreement. 12 [(e)] (f) Whenever the term of the rental agreement 13 expires, whether [by passage of time,] by mutual agreement, by 14 the giving of notice as provided in subsection (a), (b), (c), 15 [or] (d), or (e) or by the exercise by the landlord of a right 16 to terminate given under this chapter, if the tenant continues 17 in possession after the date of termination without the 18 landlord's consent, the tenant may be liable to the landlord for 19 a sum not to exceed twice the monthly rent under the previous 20 rental agreement, computed and prorated on a daily basis, for 21 each day the tenant remains in possession. The landlord may

- 1 bring a summary proceeding for recovery of the possession of the
- 2 dwelling unit at any time during the first sixty days of
- 3 holdover. Should the landlord fail to commence summary
- 4 possession proceedings within the first sixty days of the
- 5 holdover, in the absence of a rental agreement, a month-to-month
- 6 tenancy at the monthly rent stipulated in the previous rental
- 7 agreement shall prevail beginning at the end of the first sixty
- days of holdover. 8
- 9 $[\frac{f}{f}]$ (g) Any notice of termination initiated for the
- 10 purposes of evading the obligations of the landlord under
- 11 subsections $[\frac{521-21(d) \text{ or } (e)}{21-21(e)}]$ 521-21(e) or (f) shall be void."
- 12 SECTION 4. Statutory material to be repealed is bracketed
- 13 and stricken. New statutory material is underscored.
- 14 SECTION 5. This Act shall take effect on July 1, 2023;
- 15 provided that section 2 of this Act shall apply to all rental
- 16 agreements entered into on or after the effective date of this
- 17 Act and all rental agreement renewals entered into on or after
- 18 the effective date of this Act.

19



Report Title:

Housing; Residential Landlord-Tenant Code; Notices; Intent to Raise Rent; Intent to Terminate

Description:

Requires, for fixed term tenancies, a landlord to notify a tenant of any intent to raise the rent for any subsequent rental agreement or any intent to terminate a rental agreement ninety days before the expiration of the original rental agreement, but one hundred twenty days for original rental agreements with a term greater than two years. Increases the required notice period for intent to raise rent and intent to terminate for month-to-month and week-to-week tenancies.

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