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, due to wildfires on
3	Maui during 2023, thousands of Hawaii residents have lost their
4	jobs and have been unable to pay their rent. The governor has
5	issued proclamations relating to wildfires to provide
6	protections for tenants struggling to pay rent during this time,
7	including an eviction moratorium that prohibits any eviction
8	from a residential dwelling unit for failure to pay rent. The
9	legislature finds, however, that the eviction moratorium will
10	expire. Therefore, a balanced approach is needed to encourage
11	communications and facilitate mediation between landlords and
12	tenants to help reduce the large number of summary possession
13	cases that are expected to follow the expiration of certain
14	wildfire proclamations.
15	Accordingly, the purpose of this Act is to:
16	(1) Establish a procedure that requires those landlords to
17	engage in mediation and delay filing an action for

1		summary possession if a tenant schedules or attempts
2		to schedule a mediation, and restricts when those
3		landlords may exercise certain remedies;
4	(2)	Require tenants and landlords to be responsible for
5		their own attorney's fees and costs related to
6		pre-litigation mediation;
7	(3)	Establish an emergency rent relief program available
8		to participants in pre-litigation mediation to provide
9		resources that will help tenants avoid eviction and
10		maintain stable tenancies; and
11	(4)	Appropriate funds.
12	SECT	ION 2. Chapter 521, Hawaii Revised Statutes, is
13	amended by	y adding a new section to be appropriately designated
14	and to rea	ad as follows:
15	" <u>§</u> 52	1- Pre-litigation mediation for tenancies subject to
16	the emerg	ency proclamation. (a) This section shall apply to
17	any tenan	cy subject to suspension of sections 521-68, 521-71,
18	and chapt	er 666, under emergency proclamations issued by the
19	governor	and relating to wildfires when it becomes legally
20	permissib	le to terminate a residential tenancy for nonpayment of
21	rent.	

1	(b) A landlord or the landlord's agent, any time after
2	rent is due, may demand payment thereof and notify the tenant in
3	writing that unless payment is made within a time period
4	mentioned in the notice as provided in subsection (c), not less
5	than fifteen calendar days after receipt thereof, the rental
6	agreement shall be terminated. If the tenant cannot be served
7	with notice as required, notice may be given to the tenant by
8	posting the same in a conspicuous place on the dwelling unit,
9	and the notice shall be deemed received on the date of posting.
10	If the tenant remains in default, the landlord may thereafter
11	bring a summary proceeding for possession of the dwelling unit
12	or any other proper proceeding, action, or suit for possession,
13	subject to subsections (c) through (j). The notice required in
14	this section need not be given if the action is based on the
15	breach of a mediated agreement or other settlement agreement.
16	(c) The fifteen calendar day notice shall provide, at a
17	minimum, the following:
18	(1) The name of the landlord or the landlord's agent and
19	the landlord's or landlord's agent's contact
20	information, including, if possible, phone number,
21	electronic mail address, and mailing address;

1	<u>(2)</u>	The address of the dwelling unit subject to the rental
2		<pre>agreement;</pre>
3	(3)	The name and contact information of each tenant,
4		including, if possible, phone number, electronic mail
5		address, and mailing address;
6	(4)	The monthly rental rate of the dwelling unit;
7	<u>(5)</u>	The current amount of the rent due as of the date of
8		the notice, after applying all rent paid from all
9		sources;
10	(6)	Whether the landlord or landlord's agent has applied
11		for rental assistance or been contacted on behalf of
12		the tenant by any agency providing rental assistance;
13	(7)	That any rental assistance received by the landlord or
14		landlord's agent has been credited to the tenant's
15		amount due;
16	(8)	That a copy of the fifteen calendar day notice being
17		provided to the tenant is also being provided to the
18		mediation center to be identified by the landlord and,
19		in accordance with subsection (d), in order for the
20		mediation center to contact the landlord and tenant to

1		attempt to schedule a mediation regarding the
2		nonpayment of rent;
3	<u>(9)</u>	That the mediation center will provide proof to the
4		landlord that the notice was received and provide
5		confirmation of the scheduled date and time of
6		mediation;
7	(10)	That the landlord or landlord's agent may file an
8		action for summary possession if the rent due is not
9		paid and if mediation is not scheduled within fifteen
10		calendar days after the tenant's receipt of the
11		fifteen calendar day notice, regardless of whether the
12		scheduled mediation session occurs within the fifteen
13		calendar days;
14	(11)	A warning in bold typeface print that says: "If
15		mediation is not scheduled within fifteen calendar
16		days after receipt of the notice, regardless of
17		whether the scheduled mediation session occurs within
18		the fifteen calendar day period, then the landlord may
19		file an action for summary possession after the
20		expiration of the fifteen calendar day period. If
21		mediation is scheduled before the expiration of the

1	fifteen calendar day period, regardless of whether the
2	scheduled mediation session occurs within the
3	fifteen calendar days, then the landlord shall only
4	file an action for summary possession after the
5	expiration of thirty calendar days following the
6	tenant's receipt of the fifteen calendar day notice.
7	If the tenant cancels the scheduled mediation or does
8	not appear at the scheduled mediation, the landlord
9	may file the summary possession action immediately and
10	shall not be required to wait for the expiration of
11	the thirty calendar days. If the fifteen calendar day
12	notice was mailed, receipt of notice shall be deemed
13	to be two days after the date of the postmark. If the
14	fifteen 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, except as provided in
21	any agreement that may be reached. The landlord shall

1		be required to note the status of the mediation or
2		settlement effort and proof of sending or posting the
3		fifteen calendar day notice to the mediation center in
4		the action for summary possession.";
5	(12)	Notice that the eviction may be subject to additional
6		requirements and protections under state or federal
7		law and that the tenant is encouraged to seek the
8		tenant's own legal advice regarding their rights and
9		responsibilities; and
10	(13)	That the landlord or landlord's agent shall engage in
11		mediation if mediation is scheduled.
12	<u>(d)</u>	Landlords or their agents shall provide the fifteen
13	calendar	day notice to any mediation center funded by the State
14	that offe	rs free mediation for residential landlord-tenant
15	matters.	The mediation center shall contact the landlord or
16	landlord'	s agent and the tenant to schedule the mediation. The
17	mediation	center shall offer to facilitate the mediation using
18	remote me	ans, such as video conferencing, telephone, or other
19	similar m	eans, and shall not require in-person mediation. If a
20	tenant sc	hedules mediation within the fifteen calendar day
21	period, r	egardless of whether the scheduled mediation session

1	occurs wi	thin the fifteen day period, the landlord shall only
2	file a su	mmary proceeding for possession after the expiration of
3	thirty ca	lendar days from the date of receipt of the notice. If
4	the tenan	t schedules mediation, the landlord shall participate.
5	If the te	nant schedules, but then cancels, a mediation, or if
6	the tenan	t does not appear at the scheduled mediation, the
7	landlord	may file the summary proceeding for possession
8	immediate	ly and shall not be required to wait for the expiration
9	of the th	irty calendar days.
10	<u>(e)</u>	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 fifteen calendar day notice to the mediation
15		<pre>center;</pre>
16	(2)	A statement as to whether the landlord or landlord's
17		agent and tenant have participated in, or will
18		participate in, any scheduled mediation; and
19	(3)	If mediation is pending, the date on which the
20		mediation is scheduled.

1	(f) 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	(g) If the mediation has occurred as of the return hearing
7	date on the summary possession complaint, the court, in its
8	discretion and based on a finding of good cause, may order a
9	separate mediation.
10	(h) If there is any defect in the fifteen calendar day
11	notice described in subsection (c) provided by the landlord and
12	the court determines the defect was unintentional and
13	immaterial, the court may allow the landlord to cure the defect
14	without dismissing the action for summary possession.
15	(i) No landlord may bring a summary proceeding for
16	possession for a tenant's failure to pay rent except pursuant to
17	this section and as follows:
18	(1) Beginning on the first day after the expiration date
19	of the final eviction moratorium through the
20	thirtieth day after the expiration date of the final

1		eviction moratorium, the rent due shall be equal to or
2		greater than four months of rent;
3	(2)	Beginning on the thirty-first day after the expiration
4		date of the final eviction moratorium through the
5		ninety-first day after the expiration date of the
6		final eviction moratorium, the rent due shall be equal
7		to or greater than three months of rent;
8	(3)	Beginning on the ninety-second day after the
9		expiration date of the final eviction moratorium
10		through the one hundred fifty-second day after the
11		expiration date of the final eviction moratorium, the
12		rent due shall be equal to or greater than two months
13		of rent; and
14	(4)	Beginning on the one hundred fifty-third day after the
15		expiration date of the final eviction moratorium
16		through the three hundred sixty-fifth day after the
17		expiration day of the final eviction moratorium, the
18		rent due shall be equal to or greater than one month
19		rent.

1	<u>(j)</u>	Each tenant and landlord shall be responsible for
2	bearing t	he party's own costs, including attorney's fees,
3	relating	to the mediation.
4	(k)	A landlord or the landlord's agent may bring an action
5	for rent	alone at any time after the landlord has demanded
6	payment o	f past due rent and notified the tenant of the
7	landlord'	s intention to bring such an action.
8	(1)	For purposes of this section, "final eviction
9	moratoriu	m" means an emergency proclamation or supplementary
10	proclamat	ion, or any extension thereof, issued by the governor
11	and relat	ing to wildfires, that:
12	(1)	Does not include any prohibition related to evictions
13		from a residential dwelling unit for failure to pay
14		rent; or
15	(2)	Includes a prohibition related to evictions from a
16		residential dwelling unit for failure to pay rent, but
17		is not subsequently reinstated, unsuspended, or
18		followed by a supplemental proclamation or any
19		extension thereof."
20	SECT	ION 3. The suspension of sections 521-68 and 521-71,
21	Hawaii Re	vised Statutes, and chapter 666, Hawaii Revised

- 1 Statutes, under the various proclamations issued by the governor
- 2 and relating to wildfires may continue until termination of the
- 3 proclamation by the governor or expiration of the proclamation.
- 4 SECTION 4. There is appropriated out of the general
- 5 revenues of the State of Hawaii the sum of \$ or so
- 6 much thereof as may be necessary for fiscal year 2024-2025 for
- 7 the judiciary to contract for mediation services required by
- 8 this Act.
- 9 The sum appropriated shall be expended by the judiciary for
- 10 the purposes of this Act.
- 11 PART II
- 12 SECTION 5. (a) There shall be established within the
- 13 Hawaii public housing authority an emergency rent relief program
- 14 available only to participants in pre-litigation mediation
- 15 pursuant to section 521- , Hawaii Revised Statutes, as added
- 16 by this Act, to provide resources that will help tenants avoid
- 17 eviction and maintain stable tenancies.
- 18 (b) Participants in the emergency rent relief program
- 19 shall be eliqible to receive rent relief payments after
- 20 completing mediation. A participant shall be limited to

1 receiving a maximum of \$ under the program and may 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 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 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, Hawaii Revised Statutes, establish rules and qualification 17 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.

1	SECTION 6. There is appropriated out of the general
2	revenues of the State of Hawaii the sum of \$ or so
3	much thereof as may be necessary for fiscal year 2024-2025:
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- ,
7	Hawaii Revised Statutes, as added by section 2 of this
8	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 organization
14	acting as the intermediary recipient.
15	The sum appropriated shall be expended by the Hawaii public
16	housing authority for the purposes of this Act.
17	PART III
18	SECTION 7. In accordance with section 9 of article VII, of
19	the Constitution of the State of Hawaii and sections 37-91 and
20	37-93, Hawaii Revised Statutes, the legislature has determined
21	that the appropriation contained in this Act will cause the

- 1 state general fund expenditure ceiling for fiscal year 2024-2025
- 2 to be exceeded by \$, or per cent. The reasons
- 3 for exceeding the general fund expenditure ceiling are that the
- 4 appropriation made in this Act is necessary to serve the public
- 5 interest and to meet the needs provided for by this Act.
- 6 SECTION 8. This Act does not affect rights and duties that
- 7 matured, penalties that were incurred, and proceedings that were
- 8 begun before its effective date; provided that any contract in
- 9 effect prior to the effective date of this Act that is
- 10 subsequently renewed or extended on or after the effective date
- 11 of this Act shall comply with the requirements of this Act.
- 12 SECTION 9. This Act shall not be applied so as to impair
- 13 any contract existing as of the effective date of this Act in a
- 14 manner violative of either the Hawaii State Constitution or
- 15 article I, section 10, of the United States Constitution.
- 16 SECTION 10. Statutory material to be repealed is bracketed
- 17 and stricken. New statutory material is underscored.
- 18 SECTION 11. This Act shall take effect on July 1, 2040;
- 19 provided that the governor shall notify the chief justice,
- 20 legislature, and revisor of statutes no later than twenty days
- 21 prior to the expiration of the final eviction moratorium

- 1 identified in section 3 of this Act, that the governor will not
- 2 issue any further eviction moratoria in response to the
- 3 wildfires; provided further that section 2 of this Act shall
- 4 take effect on the date of the expiration of the final eviction
- 5 moratorium identified in section 3 of this Act.

Report Title:

Housing; Landlord-Tenant Code; Remedies; Notice; Failure to Pay Rent; Mediation; Wildfires; Governor Notice; Judiciary; Hawaii Public Housing Authority; Emergency Rent Relief Program; Expenditure Ceiling; Appropriations

Description:

Establishes an alternative process for the termination of the rental agreement that involves mediation. Requires the Governor to notify the Chief Justice, Legislature, and Revisor of Statutes when the final wildfire proclamation will expire. Establishes an Emergency Rent Relief Program. Declares that the general fund expenditure ceiling is exceeded. Makes appropriations. Takes effect 7/1/2040. (SD1)

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