A BILL FOR AN ACT

RELATING TO HOUSING.

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

- SECTION 1. The legislature acknowledges that working
 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, and
- 9 emotional distress.
- 10 The legislature finds that under the residential landlord-
- 11 tenant code, fixed term leases--for example, a one-year lease--
- 12 have no notice requirement. Instead, landlords are recommended
- 13 to give notice before the lease expiration.
- 14 The legislature further finds that short notice or lack of
- 15 notice imposes serious hardship on many tenants who struggle to
- 16 locate adequate housing in Hawaii's increasingly tight rental
- 17 market and face serious economic burdens to cover the costs of

1	relocation	, including application fees, safety deposits, rent,
2	and taking	days off from work to inspect units and move their
3	belongings	. Given the realities of Hawaii's current rental
4	market, th	e legislature finds that tenants need additional time
5	to secure	adequate housing.
6	Therefore, the purpose of this Act is to improve tenants'	
7	ability to	secure adequate housing by:
8	(1)	Requiring, for tenancies greater than ninety days, a
9		landlord to notify a tenant of any intent to raise the
10		rent for any subsequent rental agreement or any
11		termination of a rental agreement sixty days before
12		the expiration of the original rental agreement;
13	(2)	Requiring ninety days' notice for a landlord or tenant
14		to terminate tenancies of three years or more and
15		sixty days' notice to terminate tenancies of less than
16		three years, with certain exceptions; and
17	(3)	Increasing the amount of notice required to terminate
18		tenancies that are less than month-to-month.
19	SECTI	ON 2. Section 521-21, Hawaii Revised Statutes, is

amended to read as follows:

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1 "§521-21 Rent. (a) The landlord and tenant may agree to 2 any consideration, not otherwise prohibited by law, as rent. In 3 the absence of [such] an agreement, and subject to section [521-4 $\frac{71(e)}{2}$ 521-71(f) in the case of holdover tenants, the tenant shall pay to the landlord the fair rental value for the dwelling 5 6 unit. 7 (b) Rents shall be payable at the time and place agreed to by the parties. Unless otherwise agreed, the entire rent shall 8 9 be payable at the beginning of any term for one month or less, 10 and for longer terms in equal monthly installments payable at 11 the beginning of each month. When a rental agreement with a 12 public assistance recipient requires that the rent be paid on or 13 before the third day after the day on which the public 14 assistance check is usually received, the tenant shall have the 15 option of establishing a new due date by making a one-time 16 payment to cover the period between the original due date and 17 the newly established date. The new date shall not exceed by 18 more than three days, excluding Saturdays, Sundays, and 19 holidays, the date on which checks are mailed. The one-time payment shall be established by dividing the monthly rental by 20

- 1 thirty and multiplying the result by the number of days between
- 2 the original and the new due dates.
- 3 (c) Except as otherwise provided in subsection (b), rent
- 4 shall be uniformly apportionable from day to day.
- 5 (d) When the tenancy is established pursuant to a rental
- 6 agreement with a term greater than ninety days, the amount of
- 7 rent for an immediately subsequent tenancy, regardless of
- 8 whether the immediately subsequent tenancy is pursuant to a
- 9 subsequent rental agreement, including any renewal, or pursuant
- 10 to a subsequent month-to-month tenancy, between the same
- 11 landlord and tenant shall not be increased by the landlord
- 12 without written notice given sixty consecutive days prior to the
- 13 expiration of the original rental agreement.
- 14 [\(\frac{(d)}{}\)] (e) When the tenancy is from [\(\text{month-to-month}\),]
- 15 month-to-month, the amount of rent for [such] the tenancy shall
- 16 not be increased by the landlord without written notice given
- 17 forty-five consecutive days prior to the effective date of the
- 18 increase.
- 19 [(e)] (f) When the tenancy is less than [month to month,]
- 20 month-to-month, the amount of rent for [such] the tenancy shall
- 21 not be increased by the landlord without written notice given

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

1	<u>(1)</u>	Except as provided in subsections (d) and (e), the	
2		landlord may terminate the rental agreement by	
3		notifying the tenant; and	
4	(2)	Except as provided in subsections (c) and (e), the	
5		tenant may terminate the rental agreement by notifying	
6		the landlord,	
7	in writing, at least sixty days in advance of the anticipated		
8	termination. When the landlord provides notification of		
9	termination, the tenant may vacate at any time within the last		
10	sixty days of the period between the notification and the		
11	termination date, but the tenant shall notify the landlord of		
12	the date the tenant will vacate the dwelling unit and shall pay		
13	a prorated rent for that period of occupation.		
14	[-(b) -	(c) When the tenancy is month-to-month, the tenant	
15	may terminate the rental agreement by notifying the landlord, in		
16	writing, at least twenty-eight days in advance of the		
17	anticipated termination. When the tenant provides notice of		
18	termination, the tenant shall be responsible for the payment of		
19	rent through the twenty-eighth day.		
20	[-(e)	d) Before a landlord terminates a month-to-month	
21	tenancy w	here the landlord contemplates voluntary demolition of	

- 1 the dwelling units, conversion to a condominium property regime
- 2 under chapter 514B, or changing the use of the building to
- 3 transient vacation rentals, the landlord shall provide notice to
- 4 the tenant at least one hundred twenty days in advance of the
- 5 anticipated demolition or anticipated termination. If notice is
- 6 revoked or amended and reissued, the notice period shall begin
- 7 from the date it was reissued or amended. Any notice provided,
- 8 revoked, or amended and reissued shall be in writing. When the
- 9 landlord provides notification of termination pursuant to this
- 10 subsection, the tenant may vacate at any time within the one-
- 11 hundred-twenty-day period between the notification and the
- 12 termination date, but the tenant shall notify the landlord of
- 13 the date the tenant will vacate the dwelling unit and shall pay
- 14 a prorated rent for that period of occupation.
- 15 $\left[\frac{d}{d}\right]$ (e) When the tenancy is less than month-to-month,
- 16 the landlord or the tenant may terminate the rental agreement by
- 17 notifying the other at least [ten] fifteen days before the
- 18 anticipated termination.
- 19 $[\frac{(e)}{(e)}]$ (f) Whenever the term of the rental agreement
- 20 expires, whether [by passage of time,] by mutual agreement, by
- 21 the giving of notice as provided in subsection (a), (b), (c), or

- 1 (d) or by the exercise by the landlord of a right to terminate
- 2 given under this chapter, if the tenant continues in possession
- 3 after the date of termination without the landlord's consent,
- 4 the tenant may be liable to the landlord for a sum not to exceed
- 5 twice the monthly rent under the previous rental agreement,
- 6 computed and prorated on a daily basis, for each day the tenant
- 7 remains in possession. The landlord may bring a summary
- 8 proceeding for recovery of the possession of the dwelling unit
- 9 at any time during the first sixty days of holdover. Should the
- 10 landlord fail to commence summary possession proceedings within
- 11 the first sixty days of the holdover, in the absence of a rental
- 12 agreement, a month-to-month tenancy at the monthly rent
- 13 stipulated in the previous rental agreement shall prevail
- 14 beginning at the end of the first sixty days of holdover.
- 15 [(f)] (g) Any notice of termination initiated for the
- 16 purposes of evading the obligations of the landlord under
- 17 [subsections 521-21(d) or (e)] section 521-21(e) or (f) shall be
- 18 void."
- 19 SECTION 4. Statutory material to be repealed is bracketed
- 20 and stricken. New statutory material is underscored.

- 1 SECTION 5. This Act shall take effect on July 1, 3000;
- 2 provided that section 2 and section 3 of this Act shall apply to
- 3 all rental agreements and rental agreement renewals entered into
- 4 on or after the effective date of this Act.

Report Title:

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

Description:

Requires, for tenancies greater than 90 days, 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 60 days before the expiration of the original rental agreement. Requires 90 day's notice for a landlord or tenant to terminate tenancies of three years or more and 60 days' notice to terminate tenancies of less than three years, with certain exceptions. Increases the amount of notice required to terminate tenancies that are less than month-to-month. Effective 7/1/3000. (HD1)

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