
A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. The legislature finds that the coronavirus
2 disease 2019 (COVID-19) pandemic and the governmental responses
3 to contain its spread have ravaged the State's tourism-centric
4 economy, which dropped to Great Depression-levels in the early
5 months of the pandemic. As a state, the unemployment level for
6 the second quarter of 2020 was estimated to be 20.3 per cent.
7 However, certain areas experienced unemployment levels as high
8 as thirty-five per cent during specific periods of the second
9 quarter. The rates of unemployment are directly attributable to
10 the ninety-five per cent reduction in visitors to the State in
11 comparison to 2019.

12 The legislature further finds that this negative economic
13 effect exacerbated Hawaii's pre-pandemic housing crisis. To
14 ensure that persons have adequate housing during these uncertain
15 times, the legislature believes it necessary to temporarily stay
16 certain types of foreclosure proceedings.



1 The purpose of this Act is to temporarily stay nonjudicial
2 foreclosures of owner-occupied units by condominium associations
3 until June 30, 2022.

4 SECTION 2. For purposes of this Act:

5 "Association", "unit", and "unit owner" shall have the same
6 meaning as those terms are defined in section 514B-3, Hawaii
7 Revised Statutes.

8 "Nonjudicial foreclosure" shall have the same meaning as
9 that term is defined in section 667-1, Hawaii Revised Statutes.

10 SECTION 3. (a) Notwithstanding sections 514B-146 and
11 514B-146.5, Hawaii Revised Statutes, and parts II and VI of
12 chapter 667, Hawaii Revised Statutes, or any other law to the
13 contrary, if a unit serves as a unit owner's primary residence
14 and is occupied by the unit owner, an association shall not:

- 15 (1) Record a notice of default and intention to foreclose
16 pursuant to section 667-93, Hawaii Revised Statutes;
17 (2) Publish a notice of public sale pursuant to section
18 667-96, Hawaii Revised Statutes;
19 (3) Exercise a power of sale; or
20 (4) Initiate a nonjudicial foreclosure process.

21 (b) Nothing in this section shall be construed to:



- 1 (1) Relieve a unit owner from the obligation to pay sums
- 2 assessed by the association for common expenses;
- 3 (2) Restrict an association from collecting common expense
- 4 assessments; or
- 5 (3) Restrict an association from using nonjudicial
- 6 foreclosure procedures to recover possession of a
- 7 rental unit or an abandoned unit.

8 SECTION 4. This Act shall take effect on July 1, 2021 and

9 shall be repealed on June 30, 2022.



Report Title:

Nonjudicial Foreclosures; Moratorium; Housing; Condominiums;
Condominium Associations

Description:

Temporarily stays nonjudicial foreclosures of owner-occupied units serving as the unit owner's primary residence by condominium associations until 6/30/22. Makes an exemption to allow associations to use nonjudicial foreclosure procedures to recover possession of rental units or abandoned units. (SD1)

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