

Honolulu, Hawaii

MAR 24 2023

RE: H.B. No. 1439
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection and
Judiciary, to which was referred H.B. No. 1439, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO EVICTION MEDIATION,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a Pre-Litigation Mediation Pilot Program that:
 - (A) Extends the period for a notice of termination of the rental agreement from five business days to ten calendar days;
 - (B) Requires landlords to engage in mediation and stays the filing of an action for summary possession if a tenant schedules or attempts to schedule a mediation; and
 - (C) Requires landlords to provide specific information during the ten-calendar-day notice period to tenants, which shall also be provided to a mediation center that offers free mediation for residential landlord-tenant disputes;



- (2) Appropriate funds for the Pre-Litigation Mediation Pilot Program; and
- (3) Establish and appropriate funds for an Emergency Rent Relief Program.

Your Committees received testimony in support of this measure from the Judiciary; Department of Human Services; Hawaii Public Housing Authority; Hawaii Appleseed Center for Law and Economic Justice; Catholic Charities Hawai'i; AlohaCare; Hawai'i Children's Action Network Speaks!; Housing Hawai'i's Future; Hawai'i Housing Affordability Coalition; Mediation Center of the Pacific, Inc.; Papa Ola Lokahi; Ku'ikahi Mediation Center; Hawaiian Humane Society; Family Promise of Hawai'i; West Hawai'i Mediation Center; Planning for Community, LLC; HOPE Services Hawai'i; and eight individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Hawai'i Association of REALTORS.

Your Committees find that the Legislature enacted Act 57, Session Laws of Hawaii 2021 (Act 57), in response to the tens of thousands of Hawaii residents losing their jobs during the coronavirus disease 2019 pandemic, leaving them unable to pay their rent. Act 57 provided a number of protections for tenants who could not pay rent, including requiring landlords to engage in mediation and staying the filing of an action for summary possession in certain circumstances. Act 57 helped to preserve housing stability and avert an anticipated eviction crisis and flooding of the court system. As a result of Act 57, eighty-five percent of the cases mediated statewide settled without litigation, and in the First Circuit, eighty-five percent of the settlements resulted in tenants remaining in their homes. While the procedures created by Act 57 were successful, Act 57 automatically repealed in 2022. This measure makes permanent certain provisions of Act 57, thus protecting renters from eviction and preventing a further worsening of the State's homelessness crisis.

Your Committees acknowledge the concerns raised in testimony that this measure's effective date of September 1, 2023 for the Pre-Litigation Mediation Pilot Program, would not allow for landlords and landlord associations to update necessary documents such as standard rental agreement forms and to educate landlords



on this measure's requirements. Your Committees find that November 1, 2023, is a more appropriate effective date, as November is the time of year in the realtor industry when standard forms are updated. Your Committees note that the extension of this measure's effective date in no way prohibits pre-litigation mediations between landlord and tenants that are currently ongoing.

Therefore, your Committees have amended this measure by:

- (1) Inserting an effective date of November 1, 2023, and a repeal date of November 1, 2025, for certain amendments made to section 521-68, Hawaii Revised Statutes, by this measure;
- (2) Inserting unspecified amounts of rent relief payments that participants in the Emergency Rent Relief Program established by this measure are eligible to receive;
- (3) Inserting an unspecified amount of total payments that may be made under the Emergency Rent Relief Program each year;
- (4) Amending section 1 to reflect its amended purpose; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1439, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1439, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Commerce and
Consumer Protection and
Judiciary,



KARL RHOADS, Chair

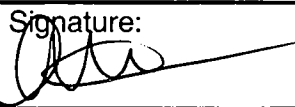


JARRETT KEOHOKALOLE, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
HB1439 HD2	CPN/JDC, WAM	03/17/2023		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)				✓
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"				✓
AWA, Brenton			✓	AMBLANT
TOTAL	2	0	1 AM	2 AM
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

