

Honolulu, Hawaii

FEB 16 , 2024

RE: H.B. No. 2742
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2742 entitled:

"A BILL FOR AN ACT RELATING TO THE LANDLORD-TENANT CODE,"

begs leave to report as follows:

The purpose of this measure is to implement certain tenant protections once the final eviction moratoriums issued under the various emergency proclamations related to the Maui wildfires expire, including:

- (1) Extending the notice period for summary possession proceedings from five days to fifteen days for failure to pay rent;
- (2) Requiring landlords to provide the notice to mediation centers;
- (3) Requiring landlords to enter into mediation if scheduled by a tenant, which will delay when a landlord may file an action for summary possession except in cases where a tenant cancels the mediation or does not appear; and
- (4) Restricting when landlord remedies are available depending on the amount of rent due.



Your Committee received testimony in support of this measure from the Hawai'i State Judiciary Center for Alternative Dispute Resolution; Mediation Center of the Pacific; Ku'ikahi Mediation Center; Mediation Services of Maui, Inc.; and two individuals. Your Committee received comments on this measure from the Department of the Attorney General; Department of Human Services; and Hawai'i Association of REALTORS.

Your Committee finds that the Maui wildfires have caused significant devastation, with many lives lost and tremendous damage to residential and commercial property. Your Committee further finds that the wildfires have had significant economic repercussions for Maui, with many short-term accommodations being utilized to house survivors and tourists avoiding Maui out of respect for its residents. With Maui's economy still in the process of recovering from the wildfires, a heightened wave of housing insecurity remains, particularly for renters.

To address this reality, the Governor's emergency proclamations have prevented a wave of evictions by imposing an eviction moratorium for Maui. However, once this moratorium expires, many tenants will face the possibility of eviction for failure to pay rent.

Your Committee also finds that this measure implements a similar approach to the balanced approach used in Act 57, Session Laws of Hawaii 2021, to address the expected evictions as a result of the COVID-19 pandemic. This measure is critical to ensure tenants on Maui are not threatened with homelessness during this uncertain economic period and prevent a flood of evictions on Maui.

Your Committee has amended this measure by:

- (1) Inserting the language establishing tenant protections as a new section in the Residential Landlord-Tenant Code, chapter 521, Hawaii Revised Statutes;
- (2) Clarifying the definition of "final eviction moratorium" with respect to the Governor's emergency authority to suspend and unsuspend laws;
- (3) Deleting language that allowed a landlord to request payment of all costs, including attorney's fees,



incurred during the pre-litigation mediation process if the tenant defaults on a mediated agreement or fails to attend a scheduled mediation;

- (4) Clarifying that the Governor has the authority to continue an eviction moratorium under the emergency authority, rather than require that the eviction moratorium continue;
- (5) Adding language to protect against any Contract Clause claim;
- (6) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2742, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2742, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



MARK M. NAKASHIMA, Chair



