S.B. NO. 825 S.D. 2 H.D. 2

CD1

A BILL FOR AN ACT

RELATING TO EVICTION MEDIATION.

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

SECTION 1. The legislature finds that many Hawaii
residents continue to face challenges paying their rent. This
is a problem for both housing providers and tenants because
tenants risk losing their homes due to nonpayment, and housing
providers risk losing their property or not keeping up with
their bills because of the nonpayment.

7 Act 57, Session Laws of Hawaii 2021 (Act 57), encouraged communication and facilitated mediation between housing 8 providers and tenants to help encourage collaborative solutions 9 10 to this common problem and to avoid evictions when possible. 11 Experience shows that the mediation procedures created by Act 57 12 were widely successful in substantially increasing the number of 13 disputes that were settled in mediation without any eviction 14 cases being filed and increased the number of settlements in 15 which the parties agreed that the tenant could continue to 16 reside in the dwelling unit. However, the amendments to the 17 Residential Landlord-Tenant Code by Act 57 have expired.

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1 Accordingly, the purpose of this Act is to encourage 2 landlords and tenants to engage in conversations early, as soon 3 as tenants know they are not able to make their full rent 4 payment, by: (1) Establishing a two-year pilot program that adopts the 5 6 most effective provisions of Act 57 that: 7 (A) Extends the period for a notice of termination of 8 the rental agreement from five business days to 9 ten calendar days; 10 Requires all landlords, or landlords' agents, and (B) 11 tenants to engage in early mediation and delay 12 filing an action for summary possession if a 13 tenant schedules mediation; 14 (C) Requires landlords, or landlords' agents, and 15 tenants to be responsible for their own 16 attorneys' fees and costs in prelitigation 17 mediation, and allows the landlord or landlord's 18 agent to file an action for summary possession 19 and payment of all attorneys' fees and costs 20 incurred in the prelitigation mediation process

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1		if the tenant defaults on a mediated agreement;
2		and
3	(D)	Requires landlords and landlords' agents to
4		provide specific information in the
5		ten-calendar-day notice to tenants, which shall
6		also be provided to a mediation center that
7		offers free mediation for residential
8		landlord-tenant disputes; and
9	(2) Appr	opriating funds to the judiciary for the
10	prel	itigation mediation pilot program.
11	SECTION 2	. Section 521-68, Hawaii Revised Statutes, is
12	amended to read	d as follows:
13	"§521-68	Landlord's remedies for failure by tenant to pay
14	rent[-]; preli	tigation mediation. (a) A landlord or the
15	landlord's age	nt [may], any time after rent is due, <u>may</u> demand
16	payment thereo	f and notify the tenant in writing that unless
17	payment is made	e within a time mentioned in the notice, not less
18	than [five bus	iness] ten calendar days after receipt thereof,
19	the rental agre	eement will be terminated. [If the tenant cannot
20	be served with	-notice as required, notice] Notice may be given
21	to the tenant l	by posting the same in a conspicuous place on the



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1	dwelling unit[\cdot], and the notice shall be deemed received on the
2	date of the posting. If the notice is mailed to the tenant by
3	United States Postal Service, properly addressed and with
4	appropriate postage, the notice shall be deemed to have been
5	received two business days after the date of the postmark,
6	unless the letter is returned to the landlord or landlord's
7	agent as undeliverable. If the tenant remains in default[$_{ au}$]
8	after the expiration of the time stated in the notice, the
9	landlord may [thereafter] bring a summary proceeding for
10	possession of the dwelling unit or any other proper proceeding,
11	action, or suit for possession[\cdot], subject to this section. The
12	notice required by this section need not be given if the action
13	is based on the breach of a mediated agreement or other
14	settlement agreement, or is for a summary proceeding for
15	possession based on matters other than nonpayment of rent. In
16	any action based on the breach of a mediated agreement, the
17	court shall not require any further mediation before trial.
18	(b) The ten-calendar-day notice required under subsection
19	(a) shall include the following:
20	(1) The name of the landlord or landlord's agent and the
21	landlord's or landlord's agent's contact information,

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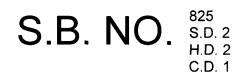
1		including, if possible, phone number, electronic mail
2		address, and mailing address;
3	(2)	The address of the dwelling unit subject to the rental
4		agreement;
5	(3)	The name and contact information of all tenants listed
6		on the rental agreement, including phone number and,
7		if possible, electronic mail address and mailing
8		address;
9	(4)	The current amount of the rent due as of the date of
10		the notice, after applying all rent paid from all
11		sources;
12	(5)	Notice that a copy of the ten-calendar-day notice
13		being provided to the tenant is also being provided to
14		a state-funded mediation center for the mediation
15		center to contact the landlord, or landlord's agent,
16		and tenant to schedule a mediation regarding the
17		nonpayment of rent in accordance with subsection (c);
18	(6)	Notice that the landlord or landlord's agent may file
19		an action for summary possession if the rent due is
20		not paid and if mediation is not scheduled within ten
21		calendar days after the tenant's receipt of the



1		ten-calendar-day notice, regardless of whether the
2		scheduled mediation session occurs within the ten
3		calendar days;
4	(7)	A warning in bold typeface print in substantially the
5		following form: "If mediation is not scheduled within
6		ten calendar days after receipt of this notice,
7		regardless of whether the scheduled mediation session
8		occurs within the ten-calendar-day period, the
9		landlord or landlord's agent may file an action for
10		summary possession after the expiration of the
11		ten-calendar-day period. If mediation is scheduled
12		before the expiration of the ten-calendar-day period,
13		regardless of whether the scheduled mediation session
14		occurs within the ten calendar days, the landlord or
15		landlord's agent shall only file an action for summary
16		possession after the expiration of twenty calendar
17		days following the tenant's receipt of the
18		ten-calendar-day notice unless you (tenant) fail to
19		attend or cancel mediation. If the ten-calendar-day
20		notice was posted on the premises, receipt of notice
21		shall be deemed to be the date of posting. If the

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1	ten-calendar-day notice was mailed, receipt of notice
2	shall be deemed to be two business days after the date
3	of the postmark. If filing an action for summary
4	possession, the landlord or landlord's agent shall be
5	required to note, in the summary possession complaint,
6	the status of the mediation or settlement effort and
7	proof of posting or sending the ten-calendar-day
8	notice to the mediation center."; and
9	(8) Notice that the landlord or landlord's agent shall
10	engage in mediation if mediation is scheduled.
11	The judiciary shall prepare a notice form that may be used
12	by landlords and landlords' agents to provide the information
13	required by this subsection and make the form available on its
14	website.
15	(c) A landlord or the landlord's agent shall provide the
16	ten-calendar-day notice to a state-funded mediation center that
17	offers free mediation for residential landlord-tenant matters.
18	All state-funded mediation centers shall offer mediation
19	services to landlords, or landlords' agents, and tenants through
20	in-person and remote means, and shall allow mediation
21	participants to utilize remote appearances, if requested. If a



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1	mediation center schedules mediation within the ten-calendar-day		
2	period and the tenant participates in the mediation, regardless		
3	of whether the scheduled mediation session occurs within the		
4	ten-calendar-day period, the landlord or landlord's agent shall		
5	only file a summary possession proceeding after the expiration		
6	of twenty calendar days from the date of the tenant's receipt of		
7	the ten-calendar-day notice, unless the tenant fails to appear		
8	at mediation or cancels the mediation. If the tenant schedules		
9	mediation, the landlord or landlord's agent shall participate.		
10	Mediation shall take place within thirty days from the date that		
11	the mediation center makes contact with both the landlord, or		
12	the landlord's agent, and tenant. Upon request by the landlord		
13	or landlord's agent, the mediation center shall provide copies		
14	of a document or documents verifying that the landlord or		
15	landlord's agent provided a copy of the required		
16	ten-calendar-day notice to the mediation center.		
17	(d) The summary possession complaint for nonpayment of		
18	rent shall include:		
19	(1) A document or documents from the state-funded		
20	mediation center verifying that the landlord or		
21	landlord's agent provided a copy of the required		

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1		ten-calendar-day notice to the mediation center or an
2		affirmation from the landlord or landlord's agent that
3		the notice was provided to the applicable mediation
4		center and the means by which the notice was provided
5		to the applicable mediation center. Upon request by
6		the landlord or landlord's agent, the mediation center
7		shall provide copies of the relevant documents to the
8		landlord or landlord's agent; and
9	(2)	If mediation is scheduled but has not yet occurred,
10		the date on which the mediation is scheduled.
11	(e)	If there is any defect in the ten-calendar-day notice
12	described	in subsection (b) provided by the landlord or
13	landlord'	s agent and the court determines the defect was
14	unintenti	onal or immaterial, the court may allow the landlord or
15	landlord'	s agent to cure the defect without dismissing the
16	action fo	r summary possession.
17	(f)	Nothing in this section shall impact a landlord's or
18	tenant's	other rights and responsibilities under this chapter.
19	<u>(g</u>)	The mediation may take place using remote
20	communica	tion, in person, or both.
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1	<u>(h)</u>	Each landlord and tenant shall be responsible for
2	bearing t	he party's own costs, including attorneys' fees,
3	relating	to the mediation; provided that if the tenant defaults
4	<u>on a medi</u>	ated agreement or fails to attend a scheduled
5	mediation, the landlord or landlord's agent may request payment	
6	of all costs, including reasonable attorneys' fees, incurred	
7	during the pre-litigation mediation process.	
8	<u>(i)</u>	If the mediation does not result in an agreement, the
9	landlord	or the landlord's agent may file an action for summary
10	possessio	n without participating in an additional mediation;
11	provided	that:
12	(1)	The landlord or landlord's agent shall only file a
13		summary possession proceeding after the expiration of
14		twenty calendar days from the date of the tenant's
15		receipt of the ten-calendar-day notice; and
16	(2)	After the filing of the action for summary possession,
17		the court, in its discretion and based on a finding of
18		good cause, may order an additional mediation.
19	[(b)] <u>(j)</u> A landlord or the landlord's agent may bring an
20	action <u>so</u>	<u>lely</u> for rent [alone] at any time after the landlord

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1 has demanded payment of past due rent and notified the tenant of 2 the landlord's intention to bring [such an] the action." 3 SECTION 3. No later than ninety days after the termination 4 of the pilot program established by this Act, the judiciary 5 shall submit to the legislature a report of its findings and 6 recommendations, including recommendations on whether the pilot 7 program should be made permanent, and any proposed legislation. 8 SECTION 4. There is appropriated out of the general 9 revenues of the State of Hawaii the sum of \$1,250,000 or so much 10 thereof as may be necessary for fiscal year 2025-2026 and the 11 same sum or so much thereof as may be necessary for fiscal year 12 2026-2027 for the judiciary to contract for mediation services 13 pursuant to section 2 of this Act. 14 The sums appropriated shall be expended by the judiciary 15 for the purposes of this Act. 16 SECTION 5. This Act does not affect rights and duties that 17 matured, penalties that were incurred, and proceedings that were 18 begun before its effective date. 19 SECTION 6. Statutory material to be repealed is bracketed

and stricken. New statutory material is underscored.

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1 SECTION 7. This Act shall take effect on July 1, 2025; 2 provided that: 3 (1) Section 2 shall take effect on February 5, 2026; and 4 This Act shall be repealed on February 4, 2028, and (2) 5 section 521-68, Hawaii Revised Statutes, shall be 6 reenacted in the form in which it read on the day 7 prior to the effective date of section 2 of this Act; 8 provided further that the amendments made to section 9 521-68(a), Hawaii Revised Statutes, by section 2 of 10 this Act shall not be repealed when that section is 11 reenacted on February 4, 2028.





Report Title:

Judiciary; Eviction Mediation; Prelitigation Mediation Pilot Program; Summary Possession; Landlords; Tenants; Report; Appropriations

Description:

Beginning 2/5/2026, extends the period for a notice of termination of a rental agreement from five business days to ten calendar days; requires landlords, or their agents, and tenants to engage in mediation and requires landlords and their agents to delay filing an action for summary possession if a tenant schedules mediation; requires landlords or their agents to provide specific information in the ten-calendar-day notice to tenants; and requires mediation center makes contact with both the landlord, or the landlord's agent, and tenant. Requires the Judiciary to submit a report to the Legislature. Appropriates funds. Sunsets 2/4/2028 but preserves the extension of the period for a notice of termination of a rental agreement from five business days to ten calendar days. (CD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

