A BILL FOR AN ACT

RELATING TO HOUSING.

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

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

The legislature further finds that this negative economic effect exacerbated Hawaii's pre-pandemic housing crisis. To ensure that persons have adequate housing during these uncertain times, the legislature believes it necessary to temporarily stay certain types of foreclosure proceedings.
The purpose of this Act is to temporarily stay nonjudicial foreclosures of owner-occupied units by condominium associations until June 30, 2022.

SECTION 2. For purposes of this Act:
"Association", "unit", and "unit owner" shall have the same meaning as those terms are defined in section 514B-3, Hawaii Revised Statutes.
"Nonjudicial foreclosure" shall have the same meaning as that term is defined in section 667-1, Hawaii Revised Statutes.

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

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

(b) Nothing in this section shall be construed to:
(1) Relieve a unit owner from the obligation to pay sums assessed by the association for common expenses;

(2) Restrict an association from collecting common expense assessments; or

(3) Restrict an association from using nonjudicial foreclosure procedures to recover possession of a rental unit or an abandoned unit.

SECTION 4. This Act shall take effect on July 1, 2021 and shall be repealed on June 30, 2022.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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