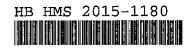
A BILL FOR AN ACT

RELATING TO CONDOMINIUM CONVERSIONS.

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

1	SECTION 1. Section 514B-3, Hawaii Revised Statutes, is
2	amended by adding two new definitions to be appropriately
3	inserted and to read as follows:
4	""Condominium hotel" means those apartments or units in a
5	project as defined in this section or section 514A-3 and subject
6	to chapters 514A and 514B, which are used to provide transient
7	lodging for periods of less than thirty days.
8	"Hotel" means a structure or structures used primarily for
9	the business of providing transient lodging for periods of less
10	than thirty days and which furnishes customary hotel services
11	including but not limited to front desk, restaurant, daily maid
12	and linen service, bell service, or telephone switchboard;
13	provided that for the purposes of this chapter, apartments or
14	units in a project as defined by this section or section 514A-3,
15	which provide customary hotel services shall be excluded from
16	the definition of hotel."



1	SECTION 2	. Section 514B-84, Hawaii Revised Statutes, is	
2	amended to read as follows:		
3	"§514B-84	Developer's public report; special types of	
4	condominiums.	(a) In addition to the information required by	
5	section 514B-8	3, the developer's public report for a project	
6	containing any existing structures being converted to		
7,	condominium status shall contain:		
8	(1) Rega	rding units that may be occupied for residential	
9	use and that have been in existence for five years or		
10	more	:	
11	(A)	A statement by the developer, based upon a report	
12		prepared by a Hawaii-licensed architect or	
13		engineer, describing the present condition of all	
14		structural components and mechanical and	
15		electrical installations material to the use and	
16		enjoyment of the units;	
17	(B)	A statement by the developer of the expected	
18		useful life of each item reported on in	
19		subparagraph (A) or a statement that no	
20		representations are made in that regard; and	



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1		(C) A li	st of any outstanding notices of uncured
2		viol	ations of building code or other county
3		regu	lations, together with the estimated cost of
4		curi	ng these violations;
5	(2)	Regarding	all projects containing converted
6		structure	s, a verified statement signed by an
7		appropria	te county official that:
8		(A) The	structures are in compliance with all zoning
9		and	building ordinances and codes applicable to
10		the	project at the time it was built, and
11		spec	ifying, if applicable:
12		(i)	Any variances or other permits that have
13			been granted to achieve compliance;
14		(ii)	Whether the project contains any legal
15			nonconforming uses or structures as a result
16			of the adoption or amendment of any
17			ordinances or codes; and
18		(iii)	Any violations of current zoning or building
19			ordinances or codes and the conditions
20			required to bring the structure into
21			compliance; or



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1		(B) Based on the available information, the county
1		(b) based on the available information, the county
2		official cannot make a determination with respect
3		to the matters described in subparagraph (A); and
4	(3)	Other disclosures and information that the commission
5		may require.
6	(b)	In addition to the information required by section
7	514B-83,	the developer's public report for a project in the
8	agricult	ural district pursuant to chapter 205 shall disclose:
9	(1)	Whether the structures and uses anticipated by the
10		developer's promotional plan for the project are in
11		compliance with all applicable state and county land
12		use laws and with chapter 205, including section 205-
13		4.6 where applicable;
14	(2)	Whether the structures and uses anticipated by the
15		developer's promotional plan for the project are in
16		compliance with all applicable county real property
17		tax laws, and the penalties for noncompliance; and
18	(3)	Other disclosures and information that the commission
19		may require.
20	(c)	In addition to the information required by section
21	514B-83,	the developer's public report for a project containing



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1 any assisted living facility units regulated or to be regulated 2 pursuant to rules adopted under section 321-11(10) shall 3 disclose: 4 (1)Any licensing requirements and the impact of the 5 requirements on the costs, operations, management, and 6 governance of the project; 7 The nature and scope of services to be provided; (2) 8 Additional costs, directly attributable to the (3) services, to be included in the association's common 9 10 expenses; 11 (4) The duration of the provision of the services; 12 (5) Any other information the developer deems appropriate 13 to describe the possible impacts on the project 14 resulting from the provision of the services; and 15 (6) Other disclosures and information that the commission 16 may require. 17 (d) In addition to the information required by section 18 514B-83, the developer's public report for the conversion of a 19 hotel, or a portion of a hotel, to a condominium hotel shall 20 disclose:



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1	(1)	The total amount of tax levied on and remitted
2		annually pursuant to chapter 237 for the units
3		converted to condominium status during all or any
4		portion of the three years prior to conversion that
5		the converted units were part of a hotel; and
6	(2)	The total amount of tax levied on and remitted
7		annually pursuant to chapter 237D for the units
8		converted to condominium status during all or any
9		portion of the three years prior to conversion that
10		the converted units were part of a hotel."
11	SECT	ION 3. Section 467-30, Hawaii Revised Statutes, is
12	amended by	y amending subsection (g) to read as follows:
13	" (g)	The registered condominium hotel operator:
14	(1)	Shall not provide or offer lodgings thirty days or
15		longer;
16	(2)	Shall not be licensed as a real estate broker or a real
17	·.	estate salesperson;
18	(3)	Shall not conduct any other activities contained in the
19		definition of the term "real estate broker";



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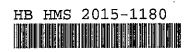
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1	(4)	Shall appoint an employee or principal to have direct		
2		management and responsibility over condominium hotel		
3		operations; [and]		
4	. (5)	Shall provide evidence of written notification to all		
5		representing apartment or unit owners of the provisions		
6		of this section including the nonapplicability of the		
7		real estate recovery fund[-]; and		
8	(6)	Shall file an annual report, on a form prescribed by the		
9		commission, with the commission no later than December 1		
10		of each calendar year. The report shall include the		
11		following information for each apartment or unit,		
12		identified by tax map key number, that operated as a		
13		condominium hotel at any point during the preceding		
14		year:		
15		(A) For each month, whether the apartment or unit was		
16		vacant, owner-occupied, rented long-term, or		
17		rented as transient lodging for less than thirty		
18		days;		
19		(B) Classification of each apartment or unit into one		
20		of the following categories:		



1	<u>(i)</u>	Apartment: units occupied by the owner for
2		personal use or by a lessee for a term of
3	•	six consecutive months or more;
4	<u>(ii)</u>	Hotel and resort: units occupied by
5		transient tenants for periods of less than
6		six consecutive months that are not a time
7		share;
8	<u>(iii)</u>	Time share: units occupied by transient
9		tenants for periods of less than six
10		consecutive months and subject to a time
11		share plan, as defined in section 514E-1;
12		and
13	<u>(iv)</u>	Commercial: units occupied by the owner or
14		lessee for business or mercantile
15		activities; and
16	<u>(C)</u> <u>The</u>	total number of employees employed by the
17	cond	ominium hotel operator or by subcontractors
18	to t	he condominium hotel operator, in operation
19	<u>of</u> t	he condominium hotel."
20	SECTION 4. St	atutory material to be repealed is bracketed
21	and stricken. New	statutory material is underscored.



SECTION 5. This Act shall take effect upon its approval.

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100 INTRODUCED BY: K. D Deller a Keletti

JAN 2 3 2015



Report Title:

Condominium Conversions; Condominium Hotel

Description:

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Requires a condominium hotel developer's public report to disclose past years' general excise taxes and transient accommodations taxes for converted condominium hotels. Requires that each condominium hotel operator file an annual report with the real estate commission.

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

