

JAN 24 2018

A BILL FOR AN ACT

RELATING TO ACQUISITION OF RESIDENTIAL PROPERTY.

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

1 SECTION 1. The legislature finds that the high costs of
2 purchasing property put homeownership out of reach for many
3 families in Hawaii. One factor contributing to the inflated
4 costs of land is the activity of foreign developers and
5 investors who are not residents of the State. Speculation in
6 the land market by these large developers and investors
7 artificially increases competition in the market and drives the
8 price beyond the resources of individual and family would-be
9 homeowners.

10 The legislature further finds that other jurisdictions have
11 restricted foreign non-residents from purchasing land as a way
12 to keep prices from being artificially inflated. In 2017, New
13 Zealand enacted legislation banning non-resident foreigners from
14 buying existing homes. Some states, including Kentucky and
15 Oklahoma, have adopted similar restrictions.



1 The purpose of this Act is to prohibit foreign non-
2 residents from purchasing residential property with a value of
3 \$2,000,000 or less in the State.

4 SECTION 2. The Hawaii Revised Statutes is amended by
5 adding a new chapter to title 28 to be appropriately designated
6 and to read as follows:

7 "CHAPTER

8 FOREIGN NON-RESIDENTS PROHIBITED FROM ACQUIRING

9 RESIDENTIAL PROPERTY IN THE STATE

10 § -1 Foreign non-resident defined. As used in this
11 chapter, "foreign non-resident" means:

12 (1) A foreign national who is not a resident of the State;

13 or

14 (2) A foreign corporation, including a domestic subsidiary
15 of a foreign corporation or a local subsidiary where
16 administrative control is retained by the foreign
17 corporation.

18 § -2 Foreign non-residents prohibited from acquiring
19 residential property in the State. (a) Notwithstanding any law
20 to the contrary, no foreign non-resident shall acquire



1 residential property, or ownership interest in residential
2 property, with a value of \$2,000,000 or less.

3 (b) Subsection (a) shall not apply to foreign non-
4 residents who acquire residential property, or ownership
5 interest in residential property, with a value of \$2,000,000 or
6 less through will, devise, descent, or by operation of law;
7 provided that the foreign national shall dispose of the
8 residential property or interest in residential property within
9 five years of the date of acquisition. If the foreign non-
10 resident has not initiated an ongoing good-faith effort to
11 dispose of the residential property or interest in residential
12 property within five years, the residential property or interest
13 in residential property shall escheat to the State.

14 § -3 Existing ownership interests not affected. This
15 chapter shall not apply to any ownership interest in residential
16 property by a foreign non-resident that existed prior to the
17 effective date of this chapter."


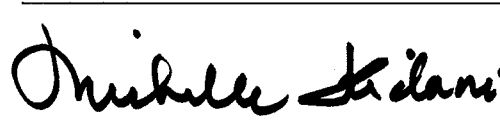

18 SECTION 3. This Act does not affect rights and duties that
19 matured, penalties that were incurred, and proceedings that were
20 begun before its effective date.



1 SECTION 4. This Act shall take effect upon its approval.

2

INTRODUCED BY:



S.B. NO. 3081

Report Title:

Foreign Non-Residents; Residential Property; Acquisition;
Restriction

Description:

Restricts foreign non-residents from acquiring residential
property with a value of \$2,000,000 or less within the State.

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

