
A BILL FOR AN ACT

RELATING TO RESIDENTIAL REAL PROPERTY.

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

1 SECTION 1. Chapter 508D, Hawaii Revised Statutes, is
2 amended by adding three new sections to be appropriately
3 designated and to read as follows:

4 "§508D-A Cesspool or septic tank inspection requirement.

5 (a) Every real estate purchase contract for residential real
6 property that is or may be served by a private cesspool or
7 septic tank shall authorize any potential buyer to a ten-day
8 period, unless the parties mutually agree upon a different
9 period of time, to conduct an inspection of the property's on-
10 site sewage system and to inspect records of the results of any
11 previous inspections, before becoming obligated under the
12 contract to purchase, to determine if a cesspool or septic tank
13 exists, its condition, and whether the cesspool or septic tank
14 is subject to section 342D-72.

15 (b) Failure to include the provision required in
16 subsection (a) in the real estate purchase contract does not
17 create a defect in title.



1 (c) Failure to provide the results of any previous
2 inspection of a cesspool or septic tank servicing the
3 residential real property does not create any defect in title.

4 (d) Failure to include the real estate purchase contract
5 provision required in subsection (a) or failure to provide
6 previous inspection results of a cesspool or septic tank
7 servicing the property entitles the buyer to rescind the real
8 estate purchase contract by providing written notice to the
9 seller prior to the transfer of the title at closing.

10 §508D-B Building permit and final inspection review
11 requirement. (a) Every real estate purchase contract for
12 residential real property shall authorize any potential buyer to
13 a ten-day period, unless the parties mutually agree upon a
14 different period of time, to review records of any building
15 permits and final inspections on the residential real property.

16 (b) Failure to include the provision required in
17 subsection (a) in the real estate purchase contract does not
18 create a defect in title.

19 (c) Failure to include the real estate purchase contract
20 provision required in subsection (a) entitles the buyer to
21 rescind the real estate purchase contract by providing written



1 notice to the seller prior to the transfer of the title at
2 closing.

3 §508D-C Nondisclosure of unpermitted work or open permits;
4 cause of action; civil penalty. (a) For all sales of
5 residential real property with a recorded sale of January 1,
6 2021, or later, a buyer may recover from the seller the costs
7 for remedying nondisclosed unpermitted work on the residential
8 real property. Any action under this subsection shall commence
9 within one year after the nondisclosed unpermitted work was
10 discovered.

11 (b) For all sales of residential real property with a
12 recorded sale of January 1, 2021, or later, the planning
13 department for the county in which the residential real property
14 is located may fine the seller up to \$ for failing to
15 disclose unpermitted work or open permits in a disclosure
16 statement."

17 SECTION 2. Section 508D-17, Hawaii Revised Statutes, is
18 amended by amending subsection (a) to read as follows:

19 "(a) ~~[Any]~~ Except as provided in section 508D-C, any
20 action brought under this chapter shall commence within two
21 years from the date the buyer received the disclosure statement;



1 provided that if no disclosure statement was delivered to the
2 buyer, then the action shall commence within two years of the
3 recorded sale of the residential real property."

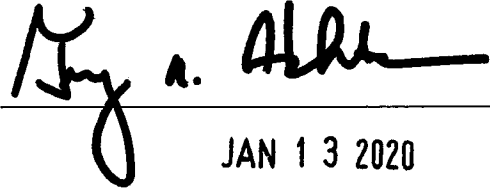
4 SECTION 3. This Act shall not be applied so as to impair
5 any contract existing as of the effective date of this Act in a
6 manner violative of either the Hawaii State Constitution or
7 Article I, section 10, of the United States Constitution.

8 SECTION 4. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

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

11

INTRODUCED BY:


JAN 13 2020



H.B. NO. 1653

Report Title:

Residential Real Property; Transactions; Sewage; Inspections

Description:

Requires that residential real estate purchase contracts provide a time period for the inspection of cesspools and septic tanks and for the review of building permits and final inspections. Authorizes buyers to seek compensation to cover the costs of remedying unpermitted work that was not disclosed by the seller. Authorizes fines.

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

