

JAN 20 2023

A BILL FOR AN ACT

RELATING TO REAL PROPERTY TRANSACTIONS.

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

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

4 "§508D- United States Postal Service delivery;
5 disclosure required. The inability of the United States Postal
6 Service to deliver mail or packages to the residential real
7 property that is being offered for sale shall be considered a
8 material fact that shall be contained in a disclosure
9 statement."

10 SECTION 2. Section 508D-1, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "§508D-1 Definitions. As used in this chapter, unless the
13 context requires otherwise:

14 "Common area" means real property that is designated as
15 common area in or pursuant to a declaration, that is owned or
16 leased by the association under the declaration, or that is
17 otherwise available for the use of members of the association.



1 "Condominium project" means a real estate condominium
2 project; or a plan or project whereby a condominium of two or
3 more units located within the condominium property regime have
4 been sold or leased or are offered or proposed to be offered for
5 sale or lease.

6 "Cooperative housing corporation" means a corporation
7 having only one class of stock outstanding, each of the
8 stockholders of which is entitled by reason of the shareholder's
9 ownership of stock in the corporation to occupy for dwelling
10 purposes a dwelling unit in a building owned or leased by the
11 corporation, and no stockholder of which is entitled, either
12 conditionally or unconditionally, to receive any distribution
13 not out of earnings and profits of the corporation except in a
14 complete or partial liquidation of the corporation.

15 "Declaration" means any recorded document, however
16 denominated, in favor of or enforceable by a cooperative housing
17 corporation, an association of owners of a condominium project,
18 or other nonprofit, incorporated or unincorporated association,
19 that restricts or conditions the use of the real property being
20 offered for sale, or imposes obligations on the owner of the
21 residential real property being offered for sale with respect to



1 maintenance or operational responsibility for the common areas,
2 architectural control, maintenance of the residential real
3 property being offered for sale, or services for the benefit of
4 the residential real property being offered for sale or other
5 property subject to the declaration including the common areas.

6 "Disclosure statement" means a written statement prepared
7 by the seller, or at the seller's direction, that purports to
8 fully and accurately disclose all material facts relating to the
9 residential real property being offered for sale that:

- 10 (1) Are within the knowledge or control of the seller;
- 11 (2) Can be observed from visible, accessible areas; or
- 12 (3) Are required to be disclosed under sections 508D-4.5
13 [and], 508D-15 [-], and 508D- .

14 "Material fact" means any fact, defect, or condition, past
15 or present, that would be expected to measurably affect the
16 value to a reasonable person of the residential real property
17 being offered for sale. The disclosure statement shall not be
18 construed as a substitute for any expert inspection,
19 professional advice, or warranty that the buyer may wish to
20 obtain.



1 "Real estate purchase contract" means a contract, as it may
2 be amended, by which a seller agrees to sell and a buyer agrees
3 to buy residential real property which shall include a deposit,
4 receipt, offer, acceptance, or other similar agreement for the
5 sale or lease with option to buy.

6 "Residential real property" means fee simple or leasehold
7 real property on which currently is situated:

- 8 (1) From one to four dwelling units; or
- 9 (2) A residential condominium or cooperative apartment,
10 the primary use of which is occupancy as a residence.

11 "Sale of residential real property" means the transfer or
12 disposition of residential real property for consideration
13 including, without limitation, a sale by exchange (provided that
14 the transferor to an exchange accommodator but not the exchange
15 accommodator who has acquired the residential real property for
16 tax purposes prior to transfer to the buyer is deemed to be the
17 seller for purposes of this chapter), auction, or lease with
18 option to buy."

19 SECTION 3. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



S.B. NO. 395

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

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INTRODUCED BY:

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S.B. NO. 395

Report Title:

Residential Real Property; Mandatory Disclosure; United States Postal Service Delivery

Description:

Requires a seller or its agent in a residential real property transaction to disclose that the United States Postal Service cannot deliver mail or packages to the residential real property being offered for sale.

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

