
A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. Section 201H-181, Hawaii Revised Statutes, is
2 amended by amending its title and subsections (a) and (b) to
3 read as follows:

4 "~~{}~~\$201H-181~~{}~~ **Rent-to-own program.** (a) The
5 corporation may establish a rent-to-own program under which
6 dwelling units that are for sale:

7 (1) In fee simple; or

8 (2) Leasehold on state or county land under a lease with
9 an initial term of no less than ninety-nine years,

10 may be rented to program participants. Under this program, the
11 corporation shall credit a portion of the rent received toward
12 the purchase of the unit.

13 (b) The sales price shall be established at the beginning
14 of the rental term and shall remain fixed for the first ~~[five]~~
15 ten years after the rental agreement is executed. During this
16 period, the participant shall have the option of purchasing the
17 unit at the designated sales price. If the participant does not



1 elect to purchase the unit within the [~~five-year~~] ten-year
2 period, the renter shall forfeit the right to continue living in
3 the unit and the unit shall be made available to another
4 purchaser or renter."

5 SECTION 2. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 3. This Act shall take effect on July 1, 3000.



Report Title:

Housing; Rent-to-Own Program; Fee Simple; Leasehold

Description:

Clarifies that dwelling units eligible under the Rent-to-Own Program shall be units that are for sale in fee simple or leasehold on state or county land under a lease with an initial term of no less than ninety-nine years. Increases the time the sale price under the program must remain fixed from five years to ten years. Effective 7/1/3000. (HD1)

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