

ACT 2

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H.B. NO. 340

A Bill for an Act Relating to Facilities for the Elderly.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The Legislature finds a need to protect the rights and interests of elderly persons living in multi-unit residential buildings (facilities), the construction

and operation of which are usually financed under a lease arrangement where the buyer makes advance payment for an estate for a life tenancy in a living unit and continuing payments to cover all operation and maintenance costs. This method of financing gives the buyer a property interest in his living unit.

The Legislature finds it necessary as a means of protecting the rights and interests of elderly residents in these facilities to provide residents of a facility with membership on an advisory body that is responsible for advising management in the operation of the facility, by submitting its opinions to the governing body of the facility.

The Legislature further finds that such multi-unit residential buildings fill a very real and present need in the State of Hawaii.

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

“CHAPTER FACILITIES FOR THE ELDERLY

Sec. -1 Definitions. As used in this chapter:

- (1) “Facility” means a multi-unit residential building, including all operations associated therewith, used for retirement purposes in which living units are leased for a term to last for the lifetime of the lessee and the lessee’s surviving spouse, where the living unit is used as a residence by the lessee and the lessee’s surviving spouse, and where the living unit reverts back to the lessor upon the death of the lessee and the lessee’s surviving spouse.
- (2) “Lessee” means the person or persons leasing a living unit in a facility.

Sec. -2 Facility advisory body. The board of directors or other governing body of each facility shall create an advisory body composed of residents of the State of Hawaii, and at least two members, or twenty-five percent, whichever is greater, shall be lessees of the facility. At least one lessee member of the facility shall be a member of any committee or subcommittee of the advisory body.

The governing body of the facility shall organize the advisory body and shall appoint the facility lessee members from a list submitted by the lessees of the facility, comprised of at least two names for every position available for lessee members on the advisory body. The advisory body shall thereafter organize itself and shall make rules and bylaws as may be necessary for it to function, provided the rules and bylaws are consistent with the directives of the facility governing body.

The advisory body shall submit recommendations concerning the operation and management of the facility in writing to the facility governing body for its consideration.”

SECTION 3. This Act shall take effect upon its approval.

(Approved April 10, 1979.)