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# A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

1           SECTION 1. Section 514B-95.5, Hawaii Revised Statutes, is  
2 amended to read as follows:  
3           " [†] §514B-95.5 [‡] **Announcement or advertisement;**  
4 **publication.** At least once in each of two successive weeks, and  
5 at any time following the issuance of an effective date of the  
6 first developer's public report for the condominium project, the  
7 developer shall cause to be published in at least one newspaper  
8 published daily in the State with a general circulation in the  
9 county in which the project is to be located, and, if the  
10 project is located other than on the island of Oahu, in at least<sup>2</sup>  
11 one newspaper that is published at least weekly in the county in  
12 which the project is to be located, an announcement or  
13 advertisement containing at least the following information:  
14           (1) The location of the project;  
15           (2) The minimum price of the residential units;  
16           (3) A designation as to whether the residential units are  
17           to be sold in fee simple or leasehold;



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- 1           (4) A statement that for a thirty-day period following the
- 2                   initial date of sale of the condominium project, at
- 3                   least [~~fifty~~] ninety per cent of the residential units
- 4                   being marketed shall be offered only to prospective
- 5                   owner-occupants;
- 6           (5) The name, telephone number, and address of the
- 7                   developer or other real estate broker designated by
- 8                   the developer that an interested individual may
- 9                   contact to secure an owner-occupant affidavit,
- 10                  developer's public report, and any other information
- 11                  concerning the project; and
- 12           (6) If applicable, a statement that the residential units
- 13                   will be offered to prospective purchasers through a
- 14                   public lottery."

15           SECTION 2. Section 514B-96, Hawaii Revised Statutes, is  
 16 amended to read as follows:

17           "~~{}~~§514B-96~~}~~ **Designation of residential units.** (a)  
 18 The developer of any project containing residential units shall  
 19 designate at least [~~fifty~~] ninety per cent of the units for sale  
 20 to prospective owner-occupants pursuant to section 514B-98. The  
 21 designation shall be set forth either in the developer's public



1 report or in the announcement or advertisement required by  
2 section 514B-95.5, and may be set forth in both. The units  
3 shall constitute a proportionate representation of all the  
4 residential units in the project with regard to factors of  
5 square footage, number of bedrooms and bathrooms, floor level,  
6 and whether or not the unit has a lanai.

7 (b) A developer shall have the right to substitute a unit  
8 designated for owner-occupants with a unit that is not so  
9 designated; provided that the units shall be similar with regard  
10 to the factors enumerated in subsection (a). The substitution  
11 shall not require the developer's submission of a supplementary  
12 developer's public report."

13 SECTION 3. Section 514B-98, Hawaii Revised Statutes, is  
14 amended by amending subsection (b) to read as follows:

15 "(b) For a thirty-day period following the initial date of  
16 sale of units in a condominium project, at least [~~fifty~~] ninety  
17 per cent of the units being sold shall be offered for sale only  
18 to prospective owner-occupants; provided that notwithstanding  
19 this subpart, in the case of a project that includes one or more  
20 existing structures being converted to condominium status, each  
21 residential unit contained in the project first shall be offered



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1 for sale to any individual occupying the unit immediately prior  
2 to the conversion and who submits an owner-occupant affidavit  
3 and an earnest money deposit in a reasonable amount designated  
4 by the developer."

5 SECTION 4. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

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

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INTRODUCED BY: \_\_\_\_\_

*pcen*

JAN 12 2018



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**Report Title:**

Condominium; Residential Units; Sale; Owner-Occupants

**Description:**

Increases the minimum number of residential units in a condominium project that must be offered for sale to prospective owner-occupants in the thirty-day period following the initial date of sale of the condominium from 50 percent to 90 percent.

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

