

---

---

## A BILL FOR AN ACT

RELATING TO PLANNED COMMUNITY ASSOCIATIONS.

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

1           SECTION 1. Chapter 421J, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§421J-       Delivery of declarations and association  
5 documents to prospective purchaser; right to cancel. (a) Upon  
6 the execution of a sales contract for the purchase of property  
7 in a planned community, the seller shall provide the prospective  
8 purchaser with copies of the declaration and association  
9 documents, as amended, as those terms are defined in section  
10 421J-2, and receive a receipt from the prospective purchaser  
11 with a complete list of all documents delivered.

12           (b) Within fifteen days of the date of the receipt, the  
13 prospective purchaser may cancel the sales contract, without  
14 cause, upon the delivery of a written notice to cancel the sales  
15 contract. Delivery shall be in person or by post, return  
16 receipt requested. Upon a timely cancellation, the sale  
17 contract shall be void and of no further force or effect, and  
18 the prospective purchaser shall receive any deposit the



1 prospective purchaser made pursuant to the sales contract, less  
2 any reasonable escrow fee accrued."

3 SECTION 2. This Act does not affect rights and duties that  
4 matured, penalties that were incurred, and proceedings that were  
5 begun, before its effective date.

6 SECTION 3. New statutory material is underscored.

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

8

INTRODUCED BY:

Cindy Evans

JAN 19 2005



**Report Title:**

Planned Community Associations; Right of Recision

**Description:**

Gives prospective purchaser of property in a planned community right to receive and review association declaration and association documents. Gives prospective purchaser right to cancel sales contract, without cause, within 15 days after receipt of declaration and documents.

