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# A BILL FOR AN ACT

RELATING TO REAL PROPERTY CONVEYANCES.

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

1           SECTION 1. The legislature finds that maintaining the  
2 availability of permanent housing is in the interest of the  
3 people of Hawaii. The legislature further finds that the sale  
4 of residential homes into fractional ownership effectively  
5 reduces the availability of long-term permanent housing in the  
6 state.

7           The purpose of this Act is to require co-owners, upon the  
8 conveyance of a fractional interest in a single-family  
9 residential property, to file with the appropriate county land  
10 use agency a co-tenancy agreement stating the co-owners' rights  
11 and responsibilities with respect to the property and each  
12 other.

13           SECTION 2. Chapter 509, Hawaii Revised Statutes, is  
14 amended by adding a new section to be appropriately designated  
15 and to read as follows:

16           "§509-           Conveyances of fractional interests in  
17 residential real property. (a) This section shall not apply to



1 the following conveyances of single-family residential real  
2 property:

3 (1) Conveyance to a spouse, parent, child, sibling,  
4 grandparent, grandchild, or reciprocal beneficiary as  
5 defined in chapter 572; and

6 (2) Conveyance by devise, descent, or court order.

7 (b) No owner may convey a fractional fee simple interest  
8 in a single-family residential property unless the new co-  
9 owners:

10 (1) Enter into a co-tenancy agreement setting forth the  
11 owners of the fractional interests and their rights  
12 and responsibilities with respect to the property and  
13 each other; and

14 (2) File the co-tenancy agreement with the county agency  
15 that regulates land use where the property is  
16 situated.

17 (c) An owner who acquires a fractional interest from a  
18 family member or reciprocal beneficiary under subsection (a)  
19 shall not convey such interest without a co-tenancy agreement as  
20 required under subsection (b), unless the conveyance is part of  
21 a conveyance of the entire fee simple interest or the conveyance  
22 is otherwise permitted under subsection (a)."



1 SECTION 3. New statutory material is underscored.

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

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INTRODUCED BY:



Rep. Hansen

Nemina Novak

Tom Brown

JAN 28 2009



**Report Title:**

Fractional Conveyance of Residential Properties

**Description:**

Requires the filing of a co-tenancy agreement with the county upon the conveyance of a fractional interest in fee simple title to a single-family, residential property, with exceptions.

