

---

---

# A BILL FOR AN ACT

RELATING TO REAL ESTATE TRANSACTIONS.

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

1           SECTION 1. Section 508D-1, Hawaii Revised Statutes, is  
2 amended by amending the definition of "material fact" to read as  
3 follows:

4           "Material fact" means any fact, defect, or condition, past  
5 or present, that would be expected to measurably affect the  
6 value to a reasonable person of the residential real property  
7 being offered for sale[-]; including, but not limited to,  
8 knowledge that the residential real property is reputed to be a  
9 location where:

10           (1) Illegal drugs have been manufactured or sold; or

11           (2) An inhabitant has been a member of a criminal gang.

12 The disclosure statement shall not be construed as a substitute  
13 for any expert inspection, professional advice, or warranty that  
14 the buyer may wish to obtain."

15           SECTION 2. Section 508D-8, Hawaii Revised Statutes, is  
16 amended to read as follows:



- 1       "§508D-8 Excluded [~~facts~~] items from the disclosure  
2 statement. Except as otherwise provided by law, the fact that:
- 3       (1) An occupant of the residential real property was  
4       afflicted with acquired immune deficiency syndrome  
5       (AIDS) or AIDS related complex, or had been tested for  
6       human immunodeficiency virus; [~~or~~]
- 7       (2) The residential real property was the site of an act  
8       or occurrence that had no effect on the physical  
9       structure or the physical environment of the  
10       residential real property, or the improvements located  
11       on the residential real property[+], including, but  
12       not limited to, any homicide, other felony, or  
13       suicide; or
- 14       (3) The residential real property has been the alleged  
15       site of ghosts, spirits, apparitions, ethereal beings,  
16       unexplained presences, parapsychological phenomena  
17       known in Hawaii as night marchers, menehune, or any  
18       other alleged parapsychological or supernatural  
19       phenomena;



# H.B. NO. 1586

1 may be excluded from the disclosure statement. This information  
2 shall not be deemed a material fact for purposes of the  
3 disclosure statement."

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

7 SECTION 4. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9 SECTION 5. This Act shall take effect upon its approval.  
10

INTRODUCED BY:

*John M. P. [Signature]*  
(BR)

JAN 15 2016



# H.B. NO. 1586

**Report Title:**

Real Estate Transactions; Disclosures; Material Facts;  
Exemptions

**Description:**

Clarifies that, for purposes of disclosure statements, a property's reputation as the site of illegal drug sales or manufacture or an inhabitant's membership in a gang shall be deemed material facts, but that the occurrence of certain other crimes or incidents or alleged parapsychological or supernatural phenomena shall not be deemed material facts.

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

