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# A BILL FOR AN ACT

RELATING TO REAL ESTATE SELLER DISCLOSURE.

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

1           SECTION 1. The legislature finds that the Hawaii real  
2 estate seller disclosure law, codified as chapter 508D, Hawaii  
3 Revised Statutes, imposes a duty upon sellers to act in good  
4 faith and disclose in writing all material facts affecting the  
5 seller's property that are within the knowledge or control of  
6 the seller. Act 186, Session Laws of Hawaii 2013, amended  
7 chapter 508D, Hawaii Revised Statutes, by, among other things,  
8 requiring sellers to provide buyers with all documentation  
9 relating to any restrictions or conditions associated with the  
10 seller's property, including unrecorded rules or guidelines.  
11 However, these unrecorded rules or guidelines may be outside of  
12 the knowledge or control of the seller.

13           The legislature further finds that consumer interests are  
14 adequately protected by the existing statutory duty imposed on  
15 sellers to act in good faith and fully and accurately disclose  
16 all material facts within a sellers' knowledge or control.  
17 Requiring sellers to specifically provide buyers with unrecorded



1 rules or guidelines may create unintended confusion in the  
2 seller disclosure law and is therefore unnecessary.

3 Accordingly, the purpose of this Act is to clarify that the  
4 required disclosure of documents by a seller for residential  
5 real property that is subject to restrictions or conditions on  
6 use applies to documents relating to restrictions or conditions  
7 within a seller's knowledge or control.

8 SECTION 2. Section 508D-3.5, Hawaii Revised Statutes, is  
9 amended by amending subsection (b) to read as follows:

10 "(b) If the residential real property is otherwise subject  
11 to restrictions or conditions on use, either because of  
12 covenants contained in the deed for the property or because of  
13 another recorded document, the disclosure shall also include all  
14 documentation relating to any restrictions or conditions<sup>[7]</sup>  
15 within the seller's knowledge or control, including but not  
16 limited to any unrecorded rules or guidelines that may have been  
17 issued by any entity responsible for enforcing those  
18 restrictions or guidelines."

19 SECTION 3. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect on November 1, 2015.



**Report Title:**

Real Estate; Seller Disclosure Requirements; Required Documentation

**Description:**

Clarifies that the required disclosure of documents by a seller for residential real property that is subject to restrictions or conditions on use applies to documents that are within a seller's knowledge or control. Takes effect on November 1, 2015. (HB272 HD1)

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

