



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

July 10, 2018

**GOV. MSG. NO. 1303**

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Twenty-Ninth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Twenty-Ninth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on July 10, 2018, the following bill was signed into law:

HB1869 HD1 SD1

RELATING TO THE LANDLORD TENANT CODE  
**ACT 194 (18)**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

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# A BILL FOR AN ACT

RELATING TO THE LANDLORD TENANT CODE.

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

1       SECTION 1. The legislature finds that in the typical  
2 residential real estate transaction, buyers take occupancy and  
3 control of the property upon closing of escrow and the transfer  
4 of title from the seller to the buyer. In some instances, the  
5 buyer takes early occupancy of the property through mutually  
6 agreeable early occupancy terms. These occupancies are excluded  
7 from the landlord-tenant code.

8       Occasionally, however, a seller may improperly maintain  
9 occupancy after closing of escrow, or refuse to vacate the  
10 property. In such situations, the buyer can suffer significant  
11 inconvenience and even monetary damages. In the event a seller  
12 remains in possession of the property without a legal right,  
13 such as a written lease between the seller and the new owner,  
14 the law should be clear that no landlord-tenant relationship has  
15 been created by the seller's wrongful occupancy.

16       The purpose of this Act is to provide a specific exemption  
17 to the landlord-tenant code for instances in which a seller of



1 residential real property continues to occupy that property  
2 after the transfer of the seller's ownership rights.

3 SECTION 2. Section 521-7, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "§521-7 Exclusions from application of chapter. Unless  
6 created solely to avoid the application of this chapter, this  
7 chapter shall not apply to:

- 8 (1) Residence at an institution, whether public or  
9 private, where residence is merely incidental to  
10 detention or the provision of medical, geriatric,  
11 educational, religious, or similar services;
- 12 (2) Residence in a structure directly controlled and  
13 managed by:
- 14 (A) The University of Hawaii or any other university  
15 or college in the State for housing its own  
16 students or faculty or residence in a structure  
17 erected on land leased from the university or  
18 college by a nonprofit corporation for the  
19 exclusive purpose of housing students or faculty  
20 of the college or university; or



1 (B) A private dorm management company that offers a  
2 minimum of fifty beds to students of any college,  
3 university, or other institution of higher  
4 education in the State;

5 (3) Occupancy under a bona fide contract of sale of the  
6 dwelling unit or the property of which it is a part  
7 where the tenant is, or succeeds to the interest of,  
8 the purchaser;

9 (4) Residence by a member of a fraternal organization in a  
10 structure operated without profit for the benefit of  
11 the organization;

12 (5) Transient occupancy on a day-to-day basis in a hotel  
13 or motel;

14 (6) Occupancy by an employee of the owner or landlord  
15 whose right to occupancy is conditional upon that  
16 employment or by a pensioner of the owner or landlord  
17 or occupancy for a period of up to four years  
18 subsequent thereto, pursuant to a plan for the  
19 transfer of the dwelling unit or the property of which  
20 it is a part to the occupant;



- 1 (7) A lease of improved residential land for a term of  
2 fifteen years or more, measured from the date of the  
3 commencement of the lease;
- 4 (8) Occupancy by the prospective purchaser after an  
5 accepted offer to purchase and prior to the actual  
6 transfer of the owner's rights;
- 7 (9) Occupancy by the seller of residential real property  
8 after the transfer of the seller's ownership rights;
- 9 ~~[(9)]~~ (10) Occupancy in a homeless facility or any other  
10 program for the homeless authorized under part XVII of  
11 chapter 346;
- 12 ~~[(10)]~~ (11) Residence or occupancy in a public housing  
13 project or complex directly controlled, owned, or  
14 managed by the Hawaii public housing authority  
15 pursuant to the federal low rent public housing  
16 program;
- 17 ~~[(11)]~~ (12) Residence or occupancy in a transitional  
18 facility for abused family or household members; or
- 19 ~~[(12)]~~ (13) Residence or occupancy in a structure or on a  
20 property directly controlled, owned, or managed by the  
21 Hawaii public housing authority."



1 SECTION 3. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect on November 1, 2018.

APPROVED this 10 day of JUL, 2018



GOVERNOR OF THE STATE OF HAWAII



HB No. 1869, HD 1, SD 1

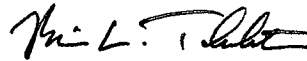
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 25, 2018  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2018.



Scott K. Saiki  
Speaker  
House of Representatives



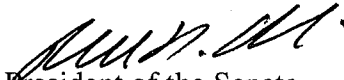
Brian L. Takeshita  
Chief Clerk  
House of Representatives


H.B. No. 1869, H.D. 1, S.D. 1

**THE SENATE OF THE STATE OF HAWAI'I**

Date: April 6, 2018  
Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Third Reading in the  
Senate of the Twenty-ninth Legislature of the State of Hawai'i, Regular Session of 2018.

  
President of the Senate

  
Clerk of the Senate