



1 the laws of or having its principal place of business  
2 in the People's Republic of China;

3 (4) A subsidiary of an entity described in paragraph (3);  
4 or

5 (5) Any person, entity, or collection of persons or  
6 entities described in paragraphs (1) through (4)  
7 having a controlling interest in a partnership,  
8 association, corporation, organization, trust, or any  
9 other legal entity or subsidiary formed for the  
10 purpose of owning real property in the State.

11 "Real property" means lands, structures, and interests  
12 therein and natural resources including water, minerals, and all  
13 things connected with land, including lands under water and  
14 riparian rights, space rights, air rights, and any and all other  
15 things and rights usually included within the term.

16 § -2 Chinese Communist Party; purchase or acquisition of  
17 real property; prohibited. (a) Notwithstanding any other law  
18 to the contrary, a person affiliated with the Chinese Communist  
19 Party shall not:

- 20 (1) Directly or indirectly own;  
21 (2) Have a controlling interest in; or



1 (3) Acquire by purchase, grant, devise, or descent,  
2 any interest, except a de minimus indirect interest, in real  
3 property in this State.

4 (b) A person has a de minimus indirect interest if the  
5 ownership is the result of the person's ownership of registered  
6 equities in a publicly traded company owning the real property  
7 and if the person's ownership interest in the company is either:

8 (1) Less than five per cent of any class of registered  
9 equities or less than five per cent in the aggregate  
10 in multiple classes of registered equities; or

11 (2) A noncontrolling interest in any entity controlled by  
12 a company that is both registered with the United  
13 States Securities and Exchange Commission as an  
14 investment adviser under the Investment Advisers Act  
15 of 1940 (15 U.S.C. 80b-1 et seq.), as amended, and is  
16 not a foreign entity.

17 § -3 Exceptions. (a) Notwithstanding  
18 section -2(a), a person affiliated with the Chinese  
19 Communist Party who is a natural person may purchase a single  
20 residential real property parcel that is not more than two acres  
21 in area if all of the following apply:



1 (1) The parcel is not on or within five miles of any  
2 military installation;

3 (2) The person has:

4 (A) A current, verified United States visa that is  
5 not limited to authorizing tourist-based travel;  
6 or

7 (B) Official documentation confirming that the person  
8 has been granted asylum in the United States,  
9 and the visa or documentation authorizes the person to  
10 be legally present within this State; and

11 (3) The purchase is in the name of the person who holds  
12 the visa or official documentation described in  
13 paragraph (2).

14 (b) Notwithstanding section -2(a), a person  
15 affiliated with the Chinese Communist Party who directly or  
16 indirectly owns or acquires real property or an interest in real  
17 property in the State before July 1, 2024, may continue to own  
18 or hold that real property or interest, but shall not purchase  
19 or otherwise acquire by grant, devise, or descent any additional  
20 real property or interest in real property in the State except  
21 as provided in section -4.



1           §   -4   Divestment of real property. Notwithstanding  
2 section       -2, a person affiliated with the Chinese Communist  
3 Party may acquire real property on or after July 1, 2024, by  
4 devise or descent, through the enforcement of security  
5 interests, or through the collection of debts; provided that the  
6 person affiliated with the Chinese Communist Party shall sell,  
7 transfer, or otherwise divest itself of the real property within  
8 three years of acquiring the real property.

9           §   -5   Ownership of real property by persons affiliated  
10 with the Chinese Communist Party; registration required. (a) A  
11 person affiliated with the Chinese Communist Party who directly  
12 or indirectly owns or acquires real property or any interest,  
13 other than a de minimus indirect interest, in real property in  
14 the State pursuant to section       -3 or       -4 shall register  
15 the ownership with the department on a form prescribed by the  
16 department. The form shall include, at a minimum:

17           (1)   The name of the owner of the real property or the  
18               owner of the interest in the real property;

19           (2)   The address of the real property, the real property's  
20               tax map key number, and the real property's legal  
21               description;



1           (3) The number of acres of the real property; and  
2           (4) The date on which the real property or interest in the  
3           real property was acquired.

4           (b) A person affiliated with the Chinese Communist Party  
5 whose real property or interest in real property was owned or  
6 acquired before July 1, 2024, pursuant to section       -3(b),  
7 shall register the real property or real property interest with  
8 the department by December 31, 2024.

9           (c) A person affiliated with the Chinese Communist Party  
10 whose real property or interest in real property is authorized  
11 pursuant to section       -3(a) or       -4 shall register the real  
12 property or real property interest with the department within  
13 thirty days after the real property or real property interest is  
14 acquired.

15          (d) A person affiliated with the Chinese Communist Party  
16 who fails to timely file a registration with the department  
17 shall be subject to a civil penalty of \$1,000 for each day that  
18 the registration is late. The department may place a lien  
19 against the unregistered real property for the unpaid balance of  
20 any penalties assessed under this subsection.



1           §   -6 Purchase of real property; affidavit required. (a)

2 At the time of purchase, a buyer of real property or an interest  
3 in real property shall provide an affidavit signed under penalty  
4 of perjury attesting that the buyer is:

5           (1) Not a person affiliated with the Chinese Communist  
6               Party; and

7           (2) In compliance with the requirements of this chapter.

8           (b) The failure to obtain or maintain the affidavit under  
9 subsection (a) shall not:

10           (1) Affect the title or insurability of the title for the  
11               real property; or

12           (2) Subject the closing agent to civil or criminal  
13               liability, unless the closing agent has actual  
14               knowledge that the transaction will result in a  
15               violation of this chapter.

16           (c) The real estate commission shall adopt rules to  
17 implement this section, including rules to establish the form  
18 for the affidavit.

19           §   -7 Forfeiture. (a) Real property or an interest in  
20 real property that is owned or acquired in violation of this  
21 chapter may be forfeited to the State.



1           (b) The department may initiate a civil action in the  
2 circuit court in the county in which the real property is  
3 located for the forfeiture of the real property or any interest  
4 therein. An action under this section shall be preferred over  
5 all other civil causes, except election cases, without respect  
6 to position on the calendar.

7           (c) Upon filing the action, the clerk of the court shall  
8 record a lis pendens concerning the real property with the  
9 bureau of conveyances.

10          (d) The defendant may at any time petition to modify or  
11 discharge the lis pendens based upon a finding that there is no  
12 probable cause to believe that the real property, or any portion  
13 thereof, is owned or held in violation of this chapter.

14          (e) If the court finds that the real property, or any  
15 portion thereof, is owned or held in violation of this chapter,  
16 the court shall enter a final judgment of forfeiture vesting  
17 title to the real property in the State, subject only to the  
18 rights and interests of bona fide lienholders. The final  
19 judgment shall be retroactive to the date the lis pendens was  
20 filed.





1 (f) The department may sell the real property subject to a  
2 final judgment of forfeiture. The proceeds from the sale, if  
3 any, shall be paid in the following priority:

4 (1) To any lienholders of the real property;

5 (2) To the department to pay any outstanding fines  
6 assessed pursuant to this chapter;

7 (3) To the department to reimburse the department for all  
8 costs related to the forfeiture civil action and any  
9 costs related to the sale of the real property; and

10 (4) To the real property owner.

11 (g) At any time during the forfeiture proceeding, the  
12 department may seek an ex parte order of seizure of the real  
13 property upon a showing that the defendant's control of the real  
14 property constitutes a clear and present danger to the State.

15 § -8 Inapplicability to real property for diplomatic  
16 purposes. This chapter shall not apply to a person who acquires  
17 real property for a diplomatic purpose that is recognized,  
18 acknowledged, or allowed by the federal government.

19 § -9 Criminal penalties. (a) A person affiliated with  
20 the Chinese Communist Party who purchases or acquires real



1 property or any interest therein in violation of this chapter  
2 shall be guilty of a class C felony.

3 (b) A person who knowingly sells real property or any  
4 interest in real property in violation of this chapter shall be  
5 guilty of a misdemeanor.

6 § -10 Rules. The department may adopt rules pursuant to  
7 chapter 91 necessary to effectuate the purposes of this  
8 chapter."

9 SECTION 2. In accordance with section 9 of article VII, of  
10 the Constitution of the State of Hawaii and sections 37-91 and  
11 37-93, Hawaii Revised Statutes, the legislature has determined  
12 that the appropriation contained in this Act will cause the  
13 state general fund expenditure ceiling for fiscal year 2024-2025  
14 to be exceeded by \$ , or per cent. The reasons  
15 for exceeding the general fund expenditure ceiling are that the  
16 appropriation made in this Act is necessary to serve the public  
17 interest and to meet the needs provided for by this Act.

18 SECTION 3. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$ or so  
20 much thereof as may be necessary for fiscal year 2024-2025 for



1 the department of the attorney general to perform the  
2 department's assigned duties under section 1 of this Act.

3 The sum appropriated shall be expended by the department of  
4 the attorney general for the purposes of this Act.

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

8 SECTION 5. This Act shall take effect on July 1, 2024.

9

INTRODUCED BY: \_\_\_\_\_



JAN 23 2024



**Report Title:**

AG; Chinese Communist Party; Purchase of Real Property;  
Prohibition; Registration; Forfeiture; Penalties; General Fund  
Expenditure Ceiling Exceeded; Appropriation

**Description:**

Prohibits certain persons affiliated with the Chinese Communist Party from acquiring real property or any interest in real property in the State, except a de minimus indirect interest. Establishes exceptions. Requires a person affiliated with the Chinese Communist Party who owns real property that was acquired under an exception to register the ownership with the Attorney General. Requires a buyer of real property to provide a signed affidavit attesting that the buyer is not a person affiliated with the Chinese Communist Party. Authorizes the forfeiture of real property or an interest in real property that is owned or acquired unlawfully. Establishes penalties. Declares that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025. Appropriates moneys.

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