

ACT 276

H.B. NO. 1861

A Bill for an Act Relating to Real Estate.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 467-30, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§467-30]] Licenses and bonding required to operate condominium hotel.~~ (a) As used in this section, “condominium hotel” includes those

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apartments in a project as defined in section 514A-3 and subject to chapter 514A, providing for customary hotel services including, but not limited to, front desk, restaurant, daily maid and linen service, bell service, or telephone switchboard.

(b) Any sole proprietor, partnership, corporation, or other business entity who, in the operation of a condominium hotel engages in any activity set forth in the definitions of "real estate", "real estate broker", and "real estate salesman" in section 467-1 and who also is not a custodian or caretaker shall [obtain]:

- (1) Obtain a license as a real estate broker in compliance with this chapter and the rules of the commission, and [shall]
- (2) Register as a condominium operator and provide evidence of bonding to the real estate commission in an amount equal to \$500 multiplied by the aggregate number of units covered by all of the [broker's] condominium hotel contracts; except that the minimum of the bond required by this [subsection] paragraph shall not be less than \$20,000 nor greater than \$100,000. The bond shall protect the owners of the apartment¹ whose apartments are used to provide customary hotel services.

(c) Neither a real estate broker license nor a salesperson license shall be required of those employees of any sole proprietor, partnership, corporation, or other business entity performing or facilitating the delivery of customary hotel services as described in this section."

SECTION 2. Section 514E-6, Hawaii Revised Statutes, is amended to read as follows:

"[~~§~~514E-6] Time sharing in projects. (a) If the project in which the time share unit or time share plan is to be created contains an existing time share unit or time share plan, then time share units and plans¹ be regulated according to the terms of the project instruments.

(b) If the project in which the time share unit or time share plan is to be created is not a hotel and does not contain time share units or a time share plan, then such use may be created only if such use is explicitly and prominently authorized by the project instruments, or the project instruments are amended by unanimous vote of the unit owners to explicitly and prominently authorize time sharing.

(c) Any condominium project in an area not designated for hotel use, resort use, or transient vacation rentals that:

- (1) Contains one or more transient vacation rental units may be classified as a hotel use; or
- (2) Contains more than ninety-five per cent transient vacation rental units shall be classified as a hotel.

The foregoing shall not limit the individual counties in zoning for or defining hotels."

SECTION 3.² Section 467-30(b)(1), as provided for in section 1 of this Act, shall be suspended for one year from the effective date of this Act.

SECTION 4.² Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 5.² This Act shall take effect upon its approval.

(Approved June 24, 1987.)

Notes

1. So in original.

2. Section designations renumbered.