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# A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

1           SECTION 1. Chapter 514B, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§514B-       Hearings. (a) If a dispute is not resolved by  
5 mediation as provided in section 514B-161, in addition to any  
6 other legal remedies that may be available, any party that  
7 participated in the mediation may file a request for a hearing  
8 with the office of administrative hearings as follows:

9           (1) The party requesting the hearing must be a board of  
10           directors of a registered association pursuant to  
11           section 514B-103 or a unit owner who is a member of a  
12           registered association pursuant to section 514B-103;

13           (2) The request for hearing shall be filed within thirty  
14           days from the final day of mediation;

15           (3) The request for hearing shall name one or more parties  
16           that participated in the mediation as an adverse party  
17           and identify the statutory provisions in dispute; and



1       (4) The subject matter of the hearing before the hearing  
2       officer may include any matter that was the subject of  
3       the mediation pursuant to section 514B-161.

4       (b) The office of administrative hearings shall accept no  
5       more than thirty requests for hearing per fiscal year under this  
6       section.

7       (c) The party requesting the hearing shall pay a filing  
8       fee of \$25 to the department of commerce and consumer affairs,  
9       and the failure to do so shall result in the request for hearing  
10       being rejected for filing. All other parties shall file a  
11       response, accompanied by a filing fee of \$25 to the department  
12       of commerce and consumer affairs, within twenty days of being  
13       served with the request for hearing.

14       (d) The hearings officer appointed by the director of  
15       commerce and consumer affairs pursuant to section 26-9(f) shall  
16       have jurisdiction to review any request for hearing filed under  
17       subsection (a). The hearings officer shall have the power to  
18       issue subpoenas, administer oaths, hear testimony, find facts,  
19       make conclusions of law, and issue written decisions that shall  
20       be final and conclusive, unless a party adversely affected by  
21       the decision files an appeal in the circuit court under section  
22       91-14.



1       (e) Rules of practice and procedure of the department of  
2 commerce and consumer affairs shall govern all proceedings  
3 brought under this section. The burden of proof, including the  
4 burden of producing the evidence and the burden of persuasion,  
5 shall be upon the party initiating the proceeding. Proof of a  
6 matter shall be by a preponderance of the evidence.

7       (f) Hearings to review and make determinations upon any  
8 requests for hearings filed under subsection (a) shall commence  
9 within sixty days following the receipt of the request for  
10 hearing. The hearings officer shall issue written findings of  
11 fact, conclusions of law, and an order as expeditiously as  
12 practicable after the hearing has been concluded.

13       (g) Each party to the hearing shall bear the party's own  
14 costs, including attorney's fees, unless otherwise ordered by  
15 the hearings officer.

16       (h) Any party to a proceedings under this section who is  
17 aggrieved by a final decision of a hearings officer may apply  
18 for judicial review of that decision pursuant to section 91-14;  
19 provided that any party seeking judicial review pursuant to  
20 section 91-14 shall be responsible for the costs of preparing  
21 the record on appeal, including the cost of preparing the  
22 transcript of the hearing.



1        (i) The department of commerce and consumer affairs may  
2 adopt rules and forms, pursuant to chapter 91, to effectuate the  
3 purpose of this section and to implement its provisions."

4        SECTION 2. The director of commerce and consumer affairs  
5 shall prepare and submit to the legislature, twenty days prior  
6 to the convening of the 2007 and 2008 regular sessions, a report  
7 containing the director's evaluation of the operation and effect  
8 of section 1 of this Act. The report shall include a summary of  
9 the requests for hearing brought under the section, the  
10 disposition of such requests for hearing, an appraisal of the  
11 effectiveness of the section, and recommendations for changes,  
12 modifications, or repeal of the section or parts thereof with  
13 accompanying reasons and data.

14        SECTION 3. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16        SECTION 4. This Act shall take effect on July 1, 2050 and  
17 shall be repealed on June 30, 2052.

**Report Title:**

Condominiums

**Description:**

Extends for 2 years the pilot program for condominium management dispute resolution by establishing comparable provisions in new condominium law. (SD2)

