

JAN 18 2008

A BILL FOR AN ACT

RELATING TO PLANNED COMMUNITY ASSOCIATIONS.

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

1 SECTION 1. Chapter 421J, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§421J- Association; registration. (a) Each project or
5 association having more than five units shall:

6 (1) Register with the commission through the approval of a
7 completed registration application, the payment of
8 fees, and the submission of any other additional
9 information set forth by the commission. The
10 registration shall be for a biennial period with
11 termination on June 30 of each odd-numbered year. The
12 commission shall prescribe a deadline date prior to
13 the termination date for the submission of a completed
14 re-registration application, the payment of fees, and
15 the submission any other additional information set
16 forth by the commission. Any project that has not met
17 the submission requirements by the deadline date shall



1 be considered a new applicant for registration and be
2 subject to initial registration requirements. Any new
3 project or association shall register within thirty
4 days of the association's first meeting. If the
5 association has not held its first meeting and it is
6 at least one year after the recordation of the
7 purchase of the first unit in the project, the
8 developer or developer's affiliate or the managing
9 agent shall register on behalf of the association and
10 shall comply with this section. The public
11 information required to be submitted on any completed
12 application form shall include but not be limited to:
13 (A) The names and positions of the officers of the
14 association;
15 (B) The name of the association's managing agent, if
16 any;
17 (C) The street and the postal address of the planned
18 community; and
19 (D) The name and current mailing address of a
20 designated officer of the association where the
21 officer can be contacted directly;



- 1 (2) Pay a nonrefundable application fee and, upon
2 approval, an initial registration fee, and a re-
3 registration fee upon re-registration, as provided in
4 rules adopted by the director of commerce and consumer
5 affairs pursuant to chapter 91;
- 6 (3) Register or re-register and pay the required fees by
7 the due date. Failure to register or re-register or
8 pay the required fees by the due date shall result in
9 the assessment of a penalty equal to the amount of the
10 registration or re-registration fee; and
- 11 (4) Report promptly in writing to the commission any
12 changes to the information contained on the
13 registration or re-registration application or any
14 other documents required by the commission. Failure
15 to do so may result in termination of registration and
16 subject the project or the association to initial
17 registration requirements.
- 18 (b) The commission may reject or terminate any
19 registration submitted by a project or an association that fails
20 to comply with this section. Any association that fails to
21 register as required by this section or whose registration is
22 rejected or terminated shall not have standing to maintain any



1 action or proceeding in the courts of this State until it
 2 registers. The failure of an association to register, or
 3 rejection or termination of its registration, shall not impair
 4 the validity of any contract or act of the association nor
 5 prevent the association from defending any action or proceeding
 6 in any court in this State."

7 SECTION 2. Section 421J-2, Hawaii Revised Statutes, is
 8 amended by adding a new definition to be appropriately inserted
 9 and to read as follows:

10 "Commission" means the real estate commission of the
 11 State."

12 SECTION 3. New statutory material is underscored.

13 SECTION 4. This Act does not affect rights and duties that
 14 matured, penalties that were incurred, and proceedings that were
 15 begun, before its effective date.

16 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY:

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Report Title:

Planned Community Associations; Real Estate Commission;
Registration

Description:

Requires planned community associations to register and re-register with and pay fees to the real estate commission on a biennial basis.

