

JAN 22 2010

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# A BILL FOR AN ACT

RELATING TO RESIDENT MANAGERS.

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

1           SECTION 1. The Hawaii Revised Statutes is amended by  
2 adding a new chapter to be appropriately designated and to read  
3 as follows:

4   **"CHAPTER**

5   **RESIDENT MANAGERS**

6           **§ -1 Definitions.** Whenever used in this chapter, unless  
7 the context otherwise requires:

8           "Association" means an association of owners of a  
9 condominium, cooperative housing corporation, or planned unit  
10 development.

11          "Board" means the board of directors of an association.

12          "Commission" means the real estate commission of the State.

13          "Commissioner" means the real estate commissioner of the  
14 State.

15          "Resident manager" means a person who resides in a dwelling  
16 unit at the property that the person manages and is employed by  
17 an association to oversee the day-to-day maintenance and care of



1 a condominium project, cooperative housing corporation, or  
2 planned unit development, including but not limited to the  
3 maintenance of buildings and grounds, collection of rents, and  
4 showing available units to prospective renters.

5       § -2 **Registration required.** (a) Every person who is  
6 employed as a resident manager shall register with the  
7 commission using a form and procedures prescribed by the  
8 commission and shall meet all requirements of this chapter.

9       (b) For purposes of this chapter, a person is employed as  
10 a resident manager if the person performs the duties of a  
11 resident manager as specified by the board and receives  
12 compensation in the form of wages, board, reduced rent or other  
13 valuable consideration.

14       § -3 **Bond.** (a) Each person employed as a resident  
15 manager shall keep in force a surety bond in the sum of  
16 \$           , in a form prescribed by the commissioner, during  
17 the term of the person's employment. The bond shall be in  
18 effect from the date that the person begins employment as a  
19 resident manager and shall be continually maintained for the  
20 duration of the person's employment.

21       (b) The bond shall provide for payment, up to the limit of  
22 the bond, to any person, including the association or the board,



1 who has sustained loss or damage by the resident manager's  
2 violation of this chapter, any consumer protection statute, or  
3 any provision of the residential landlord-tenant code, chapter  
4 521.

5 (c) The bond shall give the injured or aggrieved party a  
6 direct and independent action on the bond for a period of one  
7 year from the date of the loss or damage.

8 § -4 Fees. The commissioner shall determine fees for  
9 registration and renewal of registration by rule pursuant to  
10 chapter 91. All proceeds from fees collected pursuant to this  
11 chapter shall be deposited in the compliance resolution fund  
12 established pursuant to section 26-9(o).

13 § -5 Background check required. (a) Every person  
14 employed as a resident manager shall provide the board with  
15 authorization and sufficient information for the board to  
16 conduct a background check in accordance with section 421I-12,  
17 514A-82.1, or 514B-133.

18 (b) The board of each association that employs a resident  
19 manager shall determine the criteria for satisfactory passage of  
20 a background check pursuant to this section.

21 § -6 Restitution. Any person who engages in an unlawful  
22 act or practice that violates this chapter may be ordered by a



1 court of competent jurisdiction to make restitution to all  
2 persons injured by the act or practice.

3       **§ -7 Penalty.** Any person who violates any provision of  
4 this chapter shall be fined not more than \$               per  
5 violation. All proceeds derived from any penalty imposed under  
6 this chapter shall be deposited into the compliance resolution  
7 fund established pursuant to section 26-9(o).

8       **§ -8 Powers and duties of the commission.** In addition  
9 to any other powers and duties authorized by law, the commission  
10 shall:

- 11       (1) Grant licenses, registrations, and certificates  
12             pursuant to this chapter;
- 13       (2) Adopt, amend, or repeal rules as it may deem proper to  
14             effectuate this chapter and carry out its purpose and  
15             pursuant to chapter 91;
- 16       (3) Enforce this chapter and rules adopted under it;
- 17       (4) Suspend, fine, terminate, or revoke any registration  
18             for any violation of this chapter or of rules adopted  
19             by the commission;
- 20       (5) Enter into contracts with or hire qualified persons  
21             pursuant to chapter 76 to assist the commission in  
22             effectuating the purpose of this chapter; and



1 (6) Expend moneys from the compliance resolution fund  
2 established pursuant to section 26-9(o) as necessary  
3 to carry out the purposes of this chapter."

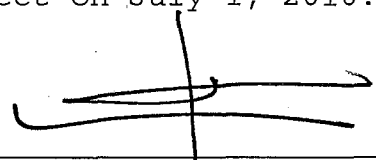
4 SECTION 2. There is appropriated out of the compliance  
5 resolution fund established pursuant to section 26-9(o), Hawaii  
6 Revised Statutes, the sum of \$ or so much thereof as  
7 may be necessary for fiscal year 2010-2011 to effect the  
8 purposes of this chapter.

9 The sum appropriated shall be expended by the real estate  
10 commission for the purposes of this Act.

11 SECTION 3. This Act shall take effect on July 1, 2010.

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

  
By Request



**Report Title:**

Resident Managers; Condominiums; Cooperative Housing  
Corporations; Planned Unit Developments

**Description:**

Established registration requirement and minimum standards for  
resident managers.

*The summary description of legislation appearing on this page is for informational purposes only and is  
not legislation or evidence of legislative intent.*

