



EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

June 25, 2013

GOV. MSG. NO. 1290

The Honorable Donna Mercado Kim,
President
and Members of the Senate
Twenty-Seventh State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

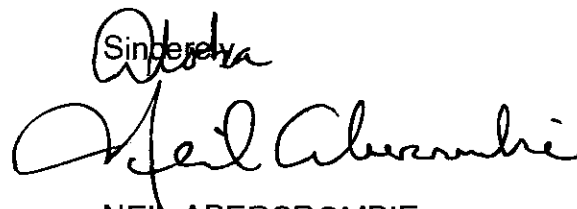
The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Seventh State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 25, 2013, the following bill was signed into law:

SB505 SD2 HD1 CD1

RELATING TO CONDOMINIUMS
ACT 187 (13)

Sincerely,

NEIL ABERCROMBIE
Governor, State of Hawaii

A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

1 SECTION 1. The legislature finds that mediation is an
2 informal, inexpensive, and confidential process for resolving
3 disputes quickly. Mediation may be particularly advantageous in
4 a condominium setting because of the potential to preserve or to
5 restore harmony within a condominium community.

6 The legislature further finds that fees paid into the
7 condominium education trust fund come from condominium owners
8 and developers. Dedicating a portion of the fund to support the
9 mediation of condominium related disputes will benefit
10 condominium owners and associations.

11 The purpose of this Act is to:

12 (1) Add support for mediation of condominium related
13 disputes as one of the educational purposes that shall
14 be supported by the condominium education trust fund;

15 (2) Beginning with the July 1, 2015, biennium
16 registration, impose an additional annual condominium
17 education trust fund fee dedicated to supporting
18 mediation of condominium related disputes and specify



1 the total fee into the condominium education trust
2 fund. The additional fee shall be in addition to any
3 fee prescribed by rules adopted by the director of
4 commerce and consumer affairs pursuant to chapter 91,
5 Hawaii Revised Statutes; and

6 (3) Require the real estate commission to make adjustments
7 to the condominium education trust fund to ensure
8 adequate funds are available for mediation of
9 condominium related disputes, and enable the
10 commission to fully accommodate any mediation requests
11 received prior to the commencement of the additional
12 annual condominium education trust fund fee.

13 SECTION 2. Section 514B-71, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "[+]§514B-71[+] Condominium education trust fund. (a)

16 The commission shall establish a condominium education trust
17 fund that the commission [~~may~~] shall use for educational
18 purposes. Educational purposes shall include financing or
19 promoting:

20 (1) Education and research in the field of condominium
21 management, condominium project registration, and real



1 estate, for the benefit of the public and those
 2 required to be registered under this chapter;
 3 (2) The improvement and more efficient administration of
 4 associations; [~~and~~]
 5 (3) Expeditious and inexpensive procedures for resolving
 6 association disputes [~~-~~]; and
 7 (4) Support for mediation of condominium related disputes.
 8 (b) The commission [~~may~~] shall use [~~any and~~] all moneys in
 9 the condominium education trust fund for purposes consistent
 10 with subsection (a)."

11 SECTION 3. Section 514B-72, Hawaii Revised Statutes, is
 12 amended by amending subsection (a) to read as follows:

13 "(a) Each project or association with more than five
 14 units, including any project or association with more than five
 15 units subject to chapter 514A, shall pay to the department of
 16 commerce and consumer affairs [~~a~~]:

17 (1) A condominium education trust fund fee within one year
 18 after the recordation of the purchase of the first
 19 unit or within thirty days of the association's first
 20 meeting, and thereafter, on or before June 30 of every
 21 odd-numbered year, as prescribed by rules adopted
 22 pursuant to chapter 91 [~~-~~]; and



1 (2) Beginning with the July 1, 2015, biennium
2 registration, an additional annual condominium
3 education trust fund fee in an amount equal to the
4 product of \$1.50 times the number of condominium units
5 included in the registered project or association to
6 be dedicated to supporting mediation of condominium
7 related disputes. The additional condominium
8 education trust fund fee shall total \$3.00 per unit
9 until the commission adopts rules pursuant to chapter
10 91. On June 30 of every odd-numbered year, any
11 unexpended additional amounts paid into the
12 condominium education trust fund and initially
13 dedicated to supporting mediation of condominium
14 related disputes, as required by this paragraph, shall
15 be used for educational purposes as provided in
16 section 514B-71(a)(1), (2), and (3)."

17 SECTION 4. Between the effective date of this Act and
18 July 1, 2015, the real estate commission, pursuant to section
19 514B-71(a)(4), Hawaii Revised Statutes, shall continue to budget
20 an amount and expend moneys from the condominium education trust
21 fund specifically to support mediation of condominium related
22 disputes utilizing professionally trained mediators for those



1 parties and disputes specified in section 514B-161, Hawaii
2 Revised Statutes. If a fiscal year budgeted amount for
3 mediation is fully expended and the commission receives
4 additional requests for condominium education trust fund
5 subsidies for the mediation of condominium related disputes, the
6 commission may expend the budgeted amount allocated to other
7 educational purposes for mediation of condominium related
8 disputes. The commission and professional vocational licensing
9 division of the department of commerce and consumer affairs
10 shall make adjustments, as needed, to their budgets to meet the
11 requirements of this section.

12 As used in this section, "professionally trained mediators"
13 includes retired judges and individuals who have professional
14 mediation training which shall include appropriate knowledge of
15 mediation procedures, ethics, standards, and responsibilities.

16 SECTION 5. The department of commerce and consumer affairs
17 professional and vocational licensing division's budget ceiling
18 shall be amended to reflect the additional annual condominium
19 education trust fund fee required by section 514B-72(a)(2),
20 Hawaii Revised Statutes, and paid into the condominium education
21 trust fund, established by section 514B-71, Hawaii Revised
22 Statutes. On June 30 of every odd-numbered year, any unexpended



1 additional amounts paid into the condominium education trust
2 fund and initially dedicated to supporting mediation of
3 condominium related disputes, as required by section
4 514B-72(a)(2), Hawaii Revised Statutes, shall be used for
5 educational purposes as provided in section 514B-71(a)(1),(2),
6 and (3), Hawaii Revised Statutes.

7 SECTION 6. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 7. This Act shall take effect on July 1, 2013.

APPROVED this 25 day of JUN, 2013



GOVERNOR OF THE STATE OF HAWAII