
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 any mediation
 10 requests are fully accommodated prior to the
 11 commencement of the additional annual condominium
 12 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 sum
4 of \$1 times the number of condominium units included
5 in the registered project or association to be
6 dedicated to supporting mediation of condominium
7 related disputes. The additional fee shall be in
8 addition to any fee prescribed by rules adopted by the
9 director of commerce and consumer affairs pursuant to
10 chapter 91. The condominium education trust fund fee
11 shall total \$3 per unit until the commission adopts
12 rules pursuant to chapter 91."

13 SECTION 4. Between the effective date of this Act and
14 July 1, 2015, the real estate commission shall make adjustments
15 to the condominium education trust fund to ensure adequate funds
16 are available for mediation of condominium related disputes.
17 The real estate commission shall ensure that requests for
18 mediation received by the commission before July 1, 2015, are
19 fully accommodated. The real estate commission and department
20 of commerce and consumer affairs professional and vocational
21 licensing division shall make adjustments as needed to their
22 budgets to meet the requirements of this section.



1 SECTION 5. The department of commerce and consumer affairs
2 professional and vocational licensing division's budget ceiling
3 shall be amended to reflect the additional annual condominium
4 education trust fund fee required by section 514B-72(a)(2),
5 Hawaii Revised Statutes, and paid into the condominium education
6 trust fund, established by section 514B-71, Hawaii Revised
7 Statutes. On June 30 of every odd-numbered year, any unexpended
8 additional amounts paid into the condominium education trust
9 fund and initially dedicated to supporting mediation of
10 condominium related disputes, as required by section
11 514B-72(a)(2), Hawaii Revised Statutes, shall be used for
12 educational purposes as provided in section 514B-71(a)(1), (2),
13 and(3), Hawaii Revised Statutes.

14 SECTION 6. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

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

17

Report Title:

Condominiums; Condominium Education Trust Fund; Mediation

Description:

Adds support for mediation of condominium related disputes as one of the educational purposes supported by the condominium education trust fund. Beginning with the July 1, 2015, biennium registration, imposes an additional annual condominium education trust fund fee dedicated to supporting mediation of condominium related disputes. Specifies the total fee payable into the condominium education trust fund. Requires the real estate commission to make adjustments to the condominium education trust fund to ensure adequate funds are available for mediation of condominium related disputes and any mediation requests are fully accommodated prior to the commencement of the additional annual condominium education trust fund fee. (SD1)

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

