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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. The legislature finds that a large percentage  
2 of persons in Hawaii live in condominiums and are members of  
3 their condominium unit owners' association. The legislature  
4 also finds that many condominium projects are akin to small  
5 communities, and each unit owner has interests and goals for the  
6 improvement of the condominium project. The legislature  
7 believes that the boards of directors of these associations have  
8 a duty to make their management decisions as transparent as  
9 possible so that members are fully aware of the basis for those  
10 decisions and their implications.

11           The purpose of this Act is to encourage more transparency  
12 in the actions of condominium association boards of directors by  
13 increasing the enforcement powers of the real estate commission.

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

17           "§514B- Enforcement. (a) Whenever the commission  
18 finds, based upon satisfactory evidence, that any person is



1 violating or has violated any provision of this chapter or rule  
2 of the commission adopted pursuant thereto, the commission may  
3 conduct an investigation of the matter and bring an action in  
4 the name of the commission in any court of competent  
5 jurisdiction against the person to enjoin the person from  
6 continuing the violation or doing any acts in furtherance  
7 thereof. The commission shall also be entitled to recover  
8 attorneys' fees.

9 (b) Before the commission brings an action, pursuant to  
10 subsection (a), in any court of competent jurisdiction against  
11 any member of the board or managing agent, it may consider  
12 whether extenuating circumstances affected the person's ability  
13 to comply with the law. If the commission finds that  
14 extenuating circumstances exist, the commission may cease any  
15 further action.

16 (c) The commission shall adopt rules pursuant to chapter  
17 91 to carry out the purposes of this section."

18 SECTION 3. Section 514A-48, Hawaii Revised Statutes, is  
19 amended to read as follows:

20 "§514A-48 Power to enjoin. Whenever the commission  
21 believes from satisfactory evidence that any person has violated  
22 section 514A-2, 514A-31 to 514A-49, 514A-61 to 514A-63, 514A-65,



1 514A-67, 514A-68, 514A-70, 514A-83.5, 514A-84, 514A-85, 514A-95,  
2 514A-95.1, 514A-97, 514A-98, 514A-134, or 514B-72, or the rules  
3 of the commission adopted pursuant thereto, it may conduct an  
4 investigation on the matter and bring an action in the name of  
5 the people of the State in any court of competent jurisdiction  
6 against the person to enjoin the person from continuing the  
7 violation or engaging therein or doing any act or acts in  
8 furtherance thereof.

9 The commission may also recover attorneys' fees."

10 SECTION 4. This Act does not affect rights and duties that  
11 matured, penalties that were incurred, and proceedings that were  
12 begun before its effective date.

13 SECTION 5. New statutory material is underscored.

14 SECTION 6. This Act shall take effect on July 1, 2025.



**Report Title:**

Condominiums; Transparency

**Description:**

Clarifies the Real Estate Commission's enforcement authority by authorizing the award of attorneys' fees and, in certain cases, authorizing the commission discretionary power to decline to bring enforcement actions. Effective July 1, 2025. (HB2401 HD1)

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

