

---

---

## A BILL FOR AN ACT

RELATING TO PLANNED COMMUNITY ASSOCIATIONS.

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

1           SECTION 1. Section 421J-13, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           " ~~§~~421J-13 ~~[+]~~ Mediation of disputes. (a) At the  
4 request of any party, any dispute concerning or involving one or  
5 more members and an association, its board of directors,  
6 managing agent, manager, or one or more other members relating  
7 to the interpretation, application, or enforcement of this  
8 chapter or the association documents, shall first be submitted  
9 to mediation.

10           (b) Nothing in subsection (a) shall be interpreted to  
11 mandate the mediation of any dispute involving:

12           (1) Actions seeking equitable relief involving threatened  
13           property damage or the health or safety of association  
14           members or any other person;

15           (2) Actions to collect assessments;

16           (3) Personal injury claims; or



1 (4) Actions against an association, a board of directors,  
 2 or one or more directors, officers, agents, employees,  
 3 or other persons for amounts in excess of \$2,500 if  
 4 insurance coverage under a policy of insurance  
 5 procured by the association or its board of directors  
 6 would be unavailable for defense or judgment because  
 7 mediation was pursued.

8 (c) If any mediation under this section is not completed  
 9 within two months from commencement, no further mediation shall  
 10 be required unless agreed to by the association and the member.

11 (d) In the event mediation does not resolve the dispute,  
 12 at the request of any party, the office of the ombudsman shall  
 13 be assigned to settle the dispute with the initiating party  
 14 paying the initial fees necessary to settle such dispute;  
 15 provided that the final liability for the fees shall be  
 16 determined by the office of the ombudsman."

17 SECTION 2. Statutory material to be repealed is bracketed  
 18 and stricken. New statutory material is underscored.

19 SECTION 3. This Act shall take effect upon its approval.  
 20

Tom Barr

INTRODUCED BY:

*[Handwritten signatures]*  
 new  
 2  
 do



# H.B. NO. 1797

**Report Title:**

Planned Community Associations; Dispute Resolution; Ombudsman

**Description:**

Creates an alternative dispute resolution process in the event that mediation fails to resolve the dispute. Allows the Office of the Ombudsman to determine the liability of legal fees.

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

