
A BILL FOR AN ACT

RELATING TO HOMEOWNERS ASSOCIATIONS.

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

1 SECTION 1. (a) The department of commerce and consumer
2 affairs shall conduct a study on the necessity and feasibility
3 of establishing an agency within the department of commerce and
4 consumer affairs to provide general regulatory oversight of
5 homeowners associations. As part of the study, the department
6 of commerce and consumer affairs shall determine the most
7 effective and cost efficient means to establish an agency that
8 would, at a minimum:

9 (1) Focus on the provision of consumer protection services
10 for homeowners including the proper use of fees paid
11 to an association;

12 (2) Establish accountability standards and benchmarks for
13 the choosing of vendors by a homeowners association to
14 provide agreed upon services, as well as the vendors
15 used by the association to provide these services;

16 (3) Facilitate mediation, arbitration, and dispute
17 resolution services in cases of noncompliance or



- 1 neglect of appropriate levels of performance,
2 including economic performance, for agreed upon
3 services between the homeowner and homeowners
4 association or vendor procured by the association;
- 5 (4) Enforce any statutes, regulations, and administrative
6 rules governing homeowners associations, including the
7 enforcement of penalties and determination of
8 liabilities, as appropriate;
- 9 (5) Have the authority to compel compliance with any
10 statute, regulation, and administrative rule through
11 legal actions;
- 12 (6) Recommend, to the director of commerce and consumer
13 affairs, the establishment of any additional penalties
14 the agency deems necessary for proper enforcement of
15 any statute, regulation, or administrative rule
16 governing homeowners associations;
- 17 (7) Establish educational programs for homeowners and
18 disseminate information to homeowners on a homeowners
19 rights, including challenging the appropriateness of
20 fees paid versus services provided and the
21 availability of mediation and dispute resolution; and



H.B. NO. 1308

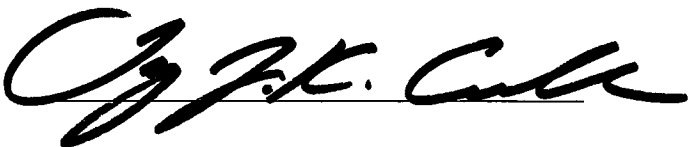
1 (8) Establish regular reporting requirements to the
2 legislature including agency evaluations, metrics, and
3 fiscal accountability.

4 (b) As part of the study under subsection (a), the
5 department of commerce and consumer affairs shall perform a cost
6 benefit analysis on the establishment of an agency as provided
7 in subsection (a) including initial start-up costs, year to year
8 operational costs, and any other incidental agency and program
9 maintenance costs.

10 (c) The department of commerce and consumer affairs shall
11 submit a report of its findings and recommendations, including
12 any proposed legislation, to the legislature no later than
13 twenty days prior to the convening of the regular session of
14 2018.

15 SECTION 2. This Act shall take effect upon its approval.

16

INTRODUCED BY: 

JAN 24 2017



H.B. NO. 1308

Report Title:

Homeowners Associations; Consumer Protection; Agency
Establishment; Study

Description:

Requires the Department of Commerce and Consumer Affairs to
conduct a study on the necessity and feasibility of establishing
an agency within the department to regulate homeowners
associations.

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

