
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 auditor shall conduct a study on the
2 necessity and feasibility of establishing an agency within the
3 department of commerce and consumer affairs to provide general
4 regulatory oversight of homeowners associations. As part of the
5 study, the auditor shall determine the most effective and cost
6 efficient means to establish an agency that would, at a minimum:
- 7 (1) Focus on the provision of consumer protection services
8 for homeowners, including proper use of fees paid to
9 an association;
- 10 (2) Establish accountability standards and benchmarks for
11 the choosing of vendors by a homeowners association to
12 provide agreed upon services, as well as for the
13 vendors used by the association to provide these
14 services;
- 15 (3) Facilitate mediation, arbitration, and dispute
16 resolution services in cases of noncompliance or
17 neglect of appropriate levels of performance,



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



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 auditor
5 shall perform a cost benefit analysis on the establishment of an
6 agency as provided in subsection (a) including initial start-up
7 costs, year to year operational costs, and any other incidental
8 agency and program maintenance costs.

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

13 SECTION 2. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$ or so much
15 thereof as may be necessary for fiscal year 2017-2018 for the
16 auditor to conduct the study required under this Act.

17 The sums appropriated shall be expended by the office of
18 the auditor for the purposes of this Act.

19 SECTION 3. This Act shall take effect upon a date to be
20 determined.



Report Title:

Homeowners Associations; Consumer Protection; Agency
Establishment; Study; Appropriation

Description:

Requires the Auditor to conduct a study, including a cost analysis, on the necessity and feasibility of establishing an agency within the Department of Commerce and Consumer Affairs to regulate homeowners associations, and to submit a report of its progress to the Legislature prior to the 2018 Regular Session. Appropriates funds. (HB1308 HD1)

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

