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# A BILL FOR AN ACT

RELATING TO PLANNED COMMUNITY ASSOCIATIONS.

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

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**PART I**

SECTION 1. Chapter 421J, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

**"PART . REGISTRATION, ADMINISTRATION, AND ENFORCEMENT OF  
PLANNED COMMUNITY ASSOCIATIONS**

§421J-A Associations; registration. (a) On or before June 30, 2021, each association having more than five units shall:

- (1) Register with the commission through approval of a completed registration application, payment of fees, and submission of any other additional information set forth by the commission. The registration shall be for a biennial period with termination on June 30 of each odd-numbered year. The commission shall prescribe a deadline date prior to the termination date for the submission of a completed reregistration



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1 application, payment of fees, and any other additional  
2 information set forth by the commission. Any  
3 association that has not met the submission  
4 requirements by the deadline date shall be considered  
5 a new applicant for registration and be subject to  
6 initial registration requirements. Any new  
7 association shall register within thirty days of the  
8 association's first meeting. If the association has  
9 not held its first meeting and it is at least one year  
10 after the closing of the first conveyance of a unit to  
11 a person other than a developer, the developer or  
12 developer's affiliate or the managing agent shall  
13 register on behalf of the association and shall comply  
14 with this section. The public information required to  
15 be submitted on any completed application form shall  
16 include but not be limited to names and positions of  
17 the board of the association, the name of the  
18 association's managing agent, if any, the tax map key  
19 numbers of the association in the recorded association  
20 documents, and the location of the principal office of



1           the association where the association can be contacted  
2           directly;

3           (2) Pay a nonrefundable application fee and, upon  
4           approval, an initial registration fee, a  
5           reregistration fee upon reregistration, and the  
6           planned community association education trust fund  
7           fee, as provided in rules adopted by the director of  
8           commerce and consumer affairs pursuant to chapter 91;

9           (3) Register or reregister and pay the required fees by  
10          the due date. Failure to register or reregister or  
11          pay the required fees by the due date shall result in  
12          the assessment of a penalty equal to the amount of the  
13          registration or reregistration fee; and

14          (4) Report promptly in writing to the commission any  
15          changes to the information contained on the  
16          registration or reregistration application or any  
17          other documents required by the commission. Failure  
18          to do so may result in termination of registration and  
19          subject the project or the association to initial  
20          registration requirements.



1           (b) The commission may reject or terminate any  
2 registration submitted by an association that fails to comply  
3 with this section. Any association that fails to register as  
4 required by this section or whose registration is rejected or  
5 terminated shall not have standing to maintain any action or  
6 proceeding in the courts of this State until it registers. The  
7 failure of an association to register, or rejection or  
8 termination of its registration, shall not impair the validity  
9 of any contract or act of the association nor prevent the  
10 association from defending any action or proceeding in any court  
11 in this State.

12           **§421J-B General powers and duties of commission.** (a) The  
13 commission may:

- 14           (1) Adopt, amend, and repeal rules pursuant to chapter 91;  
15           (2) Assess fees;  
16           (3) Conduct investigations, issue cease and desist orders,  
17                 and bring an action in any court of competent  
18                 jurisdiction to enjoin persons, consistent with and in  
19                 furtherance of the objectives of this chapter;  
20           (4) Prescribe forms and procedures for submitting  
21                 information to the commission; and



1           (5) Prescribe the form and content of any documents  
2                   required to be submitted to the commission by this  
3                   chapter.

4           (b) If it appears that any person has engaged, is  
5 engaging, or is about to engage in any act or practice in  
6 violation of this chapter or any of the commission's related  
7 rules or orders, the commission, without prior administrative  
8 proceedings, may maintain an action in the appropriate court to  
9 enjoin that act or practice or for other appropriate relief.

10 The commission shall not be required to post a bond or to prove  
11 that no adequate remedy at law exists in order to maintain the  
12 action.

13           (c) The commission may exercise its powers in any action  
14 involving the powers or responsibilities of a developer under  
15 this chapter.

16           (d) The commission may accept grants-in-aid from any  
17 governmental source and may contract with agencies charged with  
18 similar functions in this or other jurisdictions, in furtherance  
19 of the objectives of this chapter.

20           (e) The commission may cooperate with agencies performing  
21 similar functions in this and other jurisdictions to develop



1 uniform filing procedures and forms, uniform disclosure  
2 standards, and uniform administrative practices, and may develop  
3 information that may be useful in the discharge of the  
4 commission's duties.

5 (f) The commission, by rule, may require bonding at  
6 appropriate levels over time, escrow of portions of sales  
7 proceeds, or other safeguards to assure completion of all  
8 improvements that a developer is obligated to complete, or has  
9 represented that it will complete.

10 **§421J-C Investigatory powers.** If the commission has  
11 reason to believe that any person is violating or has violated  
12 this chapter, or the rules of the commission adopted pursuant  
13 thereto, the commission may conduct an investigation of the  
14 matter and examine the books, accounts, contracts, records, and  
15 files of the association, the board of directors, the managing  
16 agent, or the developer. For the purposes of this examination,  
17 the developer shall keep and maintain records of all sales  
18 transactions and of the funds received by the developer pursuant  
19 thereto, and shall make the records accessible to the commission  
20 upon reasonable notice and demand.



1           §421J-D Cease and desist orders. In addition to its  
2 authority under section 421J-E, whenever the commission has  
3 reason to believe that any person is violating or has violated  
4 this chapter, or the rules of the commission adopted pursuant  
5 thereto, it shall issue and serve upon the person a complaint  
6 stating its charges in that respect and containing a notice of a  
7 hearing at a stated place and upon a day at least thirty days  
8 after the service of the complaint. The person served has the  
9 right to appear at the place and time specified and show cause  
10 why an order should not be entered by the commission requiring  
11 the person to cease and desist from the violation of the law or  
12 the rules of the commission charged in the complaint. If, upon  
13 the hearing, the commission is of the opinion that this chapter  
14 or the rules of the commission have been or are being violated,  
15 it shall make a report in writing stating its findings as to the  
16 facts and shall issue and cause to be served on the person an  
17 order requiring the person to cease and desist from the  
18 violations. The person, within thirty days after service upon  
19 the person of the report or order, may obtain a review thereof  
20 in the appropriate circuit court.



1           **§421J-E Power to enjoin.** Whenever the commission believes  
2 from satisfactory evidence that any person has violated this  
3 chapter or the rules of the commission adopted pursuant to this  
4 chapter, it may conduct an investigation on the matter and bring  
5 an action in the name of the people of the State in any court of  
6 competent jurisdiction against the person to enjoin the person  
7 from continuing the violation or engaging therein or doing any  
8 act or acts in furtherance thereof.

9           **§421J-F Penalties.** (a) Any person who violates or fails  
10 to comply with this chapter is guilty of a misdemeanor and shall  
11 be punished by a fine not exceeding \$10,000 or by imprisonment  
12 for a term not exceeding one year, or both. Any person who  
13 violates or fails, omits, or neglects to obey, observe, or  
14 comply with any rule, order, decision, demand, or requirement of  
15 the commission under this chapter shall be punished by a fine  
16 not exceeding \$10,000.

17           (b) Any person who violates any provision of this chapter  
18 or the rules of the commission adopted pursuant to this chapter  
19 shall also be subject to a civil penalty not exceeding \$10,000  
20 for any violation. Each violation shall constitute a separate  
21 offense.





1           §421J-G Planned community association education trust

2 fund. (a) The commission shall establish a planned community  
3 association education trust fund that the commission shall use  
4 for educational purposes. Educational purposes shall include  
5 financing or promoting:

6           (1) Education and research in the field of planned  
7 community association governance and association  
8 registration for the benefit of the public and those  
9 required to be registered under this chapter;

10          (2) The improvement and more efficient administration of  
11 associations;

12          (3) Expeditious and inexpensive procedures for resolving  
13 association disputes;

14          (4) Support for mediation of association related disputes,  
15 pursuant to section 421J-13; and

16          (5) Support for voluntary binding arbitration between  
17 parties in association related disputes, pursuant to  
18 section 421J-J.

19          (b) The commission shall use all moneys in the planned  
20 community association education trust fund for purposes  
21 consistent with subsection (a).



1           §421J-H Planned community association education trust  
2 fund; payments by associations and developers. (a) Each  
3 association with more than five units shall pay to the  
4 department of commerce and consumer affairs:

5           (1) A planned community association education trust fund  
6 fee within one year after the closing of the first  
7 conveyance of a unit to a person other than a  
8 developer or within thirty days of the association's  
9 first meeting, and thereafter, on or before June 30 of  
10 every odd-numbered year, as prescribed by rules  
11 adopted pursuant to chapter 91; and

12           (2) Beginning with the July 1, 2021, biennium  
13 registration, an additional annual planned community  
14 association education trust fund fee in an amount  
15 equal to the product of \$1.50 times the number of  
16 units included in the registered association to be  
17 dedicated to supporting mediation or voluntary binding  
18 arbitration of association related disputes. The  
19 additional planned community association education  
20 trust fund fee shall total \$3 per unit until the  
21 commission adopts rules pursuant to chapter 91.



1           (b) Each developer shall pay to the department of commerce  
2 and consumer affairs the planned community association education  
3 trust fund fee for each unit in the project, as prescribed by  
4 rules adopted by the director of commerce and consumer affairs  
5 pursuant to chapter 91.

6           (c) Payments of any fees required under this section shall  
7 be due on or before the registration due date and shall be  
8 nonrefundable. Failure to pay the required fee by the due date  
9 shall result in a penalty assessment of ten per cent of the  
10 amount due and the association shall not have standing to bring  
11 any action to collect or to foreclose any lien for common  
12 expenses or other assessments in any court of this State until  
13 the amount due, including any penalty, is paid. Failure of an  
14 association to pay a fee required under this section shall not  
15 impair the validity of any claim of the association for common  
16 expenses or other assessments, or prevent the association from  
17 defending any action in any court of this State.

18           (d) The department of commerce and consumer affairs shall  
19 allocate the fees collected under this section to the planned  
20 community association education trust fund established pursuant  
21 to section 421J-G. The fees collected pursuant to this section



1 shall be administratively and fiscally managed together as one  
2 planned community association education trust fund established  
3 by section 421J-G.

4       **§421J-I Planned community association education trust**  
5 **fund; management.** (a) The sums received by the commission for  
6 deposit in the planned community association education trust  
7 fund pursuant to section 421J-G shall be held by the commission  
8 in trust for carrying out the purpose of the fund.

9       (b) The commission and the director of commerce and  
10 consumer affairs may use moneys in the planned community  
11 association education trust fund collected pursuant to section  
12 421J-H and the rules of the commission to employ necessary  
13 personnel not subject to chapter 76 for additional staff  
14 support, to provide office space, and to purchase equipment,  
15 furniture, and supplies required by the commission to carry out  
16 its responsibilities under this chapter.

17       (c) The moneys in the planned community association  
18 education trust fund collected pursuant to section 421J-H and  
19 the rules of the commission may be invested and reinvested in  
20 the same manner as are the funds of the employees' retirement  
21 system of the State. The interest and earnings from these



1 investments shall be deposited to the credit of the planned  
2 community association education trust fund.

3 (d) The department of commerce and consumer affairs  
4 professional and vocational licensing division's budget ceiling  
5 shall be amended to reflect the annual planned community  
6 association education trust fund fee required by section 421J-H  
7 and paid into the planned community association education trust  
8 fund. On June 30 of every odd-numbered year, any unexpended  
9 additional amounts paid into the planned community association  
10 education trust fund and initially dedicated to supporting  
11 mediation or voluntary binding arbitration of association  
12 related disputes, as required by section 421J-H(a)(2) shall be  
13 used for educational purposes as provided in section 421J-  
14 G(a)(1), (2), and (3).

15 (e) The commission shall annually submit to the  
16 legislature, no later than twenty days prior to the convening of  
17 each regular session:

18 (1) A summary of the programs funded during the prior  
19 fiscal year and the amount of money in the fund,  
20 including a statement of which programs were directed



1 specifically at the education of planned community  
2 association members; and  
3 (2) A copy of the budget for the current fiscal year,  
4 including summary information on programs that were  
5 funded or are to be funded and the target audience for  
6 each program. The budget shall include a line item  
7 reflecting the total amount collected from  
8 associations."

9 PART II

10 SECTION 2. Chapter 421J, Hawaii Revised Statutes, is  
11 amended by designating sections 421J-1 to 421J-16 as part I,  
12 entitled "General Provisions".

13 SECTION 3. Chapter 421J, Hawaii Revised Statutes, is  
14 amended by adding a new section to be appropriately designated  
15 and to read as follows:

16 "§421J-J Voluntary binding arbitration. (a) Any parties  
17 permitted to mediate association related disputes pursuant to  
18 section 421J-13 may agree to enter into voluntary binding  
19 arbitration, which may be supported with funds from the planned  
20 community association education trust fund pursuant to section  
21 421J-G; provided that voluntary binding arbitration under this



1 section may be supported with funds from the planned community  
2 association education trust fund only after the parties have  
3 first attempted evaluative mediation.

4 (b) Any voluntary binding arbitration entered into  
5 pursuant to this section and supported with funds from the  
6 planned community association education trust fund:

7 (1) Shall include a fee of \$175 to be paid by each party  
8 to the arbitrator;

9 (2) Shall receive no more from the fund than is  
10 appropriate under the circumstances, and in no event  
11 more than \$6,000 total; and

12 (3) May include issues and parties in addition to those  
13 identified in subsection (a); provided that a member  
14 or a developer and board are parties to the  
15 arbitration at all times and the member or developer  
16 and the board mutually consent in writing to the  
17 addition of the issues and parties."

18 SECTION 4. Section 421J-2, Hawaii Revised Statutes, is  
19 amended by adding a new definition to be appropriately inserted  
20 and to read as follows:



1        "Commission" means the real estate commission established  
2 pursuant to section 467-3."

3        SECTION 5. Section 421J-13, Hawaii Revised Statutes, is  
4 amended to read as follows:

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

13        (1) The dispute involves the interpretation, application,  
14 or enforcement of this chapter or the association  
15 documents;

16        (2) The dispute falls outside the scope of subsection (b);

17        (3) The parties have not already mediated the same or a  
18 substantially similar dispute; and

19        (4) An action or an arbitration concerning the dispute has  
20 not been commenced.





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1           (b) ~~[Nothing in subsection (a) shall be interpreted to~~  
2 ~~mandate the mediation of any dispute involving:~~

3           ~~(1) Actions seeking equitable relief involving threatened]~~  
4 The mediation of a dispute concerning or involving one or more  
5 members and an association, its board of directors, managing  
6 agent, manager, or one or more other members shall not be  
7 mandatory when the dispute involves:

8           (1) Threatened property damage or the health or safety of  
9           association members or any other person;

10           (2) Actions to collect assessments;

11           (3) Personal injury claims; or

12           ~~(4) [Actions against an association, a board of directors,~~  
13 ~~or one or more directors, officers, agents, employees,~~  
14 ~~or other persons for amounts in excess of \$2,500 if~~  
15 ~~insurance coverage under a policy of insurance~~  
16 ~~procured by the association or its board of directors~~  
17 ~~would be unavailable for defense or judgment because~~  
18 ~~mediation was pursued.~~

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



1           Matters that would affect the availability of any  
2           coverage pursuant to an insurance policy obtained on  
3           or behalf of an association.

4           (c) If evaluative mediation is requested in writing by one  
5           of the parties pursuant to subsection (a), the other party  
6           cannot choose to do facilitative mediation instead, and any  
7           attempt to do so shall be treated as a rejection to mediate.

8           (d) A member or an association may apply to the circuit  
9           court in the judicial circuit where the planned community is  
10          located for an order compelling mediation only when:

11          (1) Mediation of the dispute is mandatory pursuant to  
12          subsection (a);

13          (2) A written request for mediation has been delivered to  
14          and received by the other party; and

15          (3) The parties have not agreed to a mediator and a  
16          mediation date within forty-five days after a party  
17          receives a written request for mediation.

18          (e) Any application made to the circuit court pursuant to  
19          subsection (d) shall be made and heard in a summary manner and  
20          in accordance with procedures for the making and hearing of



1 motions. The prevailing party shall be awarded its attorneys'  
2 fees and costs in an amount not to exceed \$1,500.

3 (f) Each party to a mediation shall bear the attorneys'  
4 fees, costs, and other expenses of preparing for and  
5 participating in mediation incurred by the party, unless  
6 otherwise specified in:

7 (1) A written agreement providing otherwise that is signed  
8 by the parties;

9 (2) An order of a court in connection with the final  
10 disposition of a claim that was submitted to  
11 mediation;

12 (3) An award of an arbitrator in connection with the final  
13 disposition of a claim that was submitted to  
14 mediation; or

15 (4) An order of the circuit court in connection with  
16 compelled mediation in accordance with subsection (e).

17 (g) Any individual mediation supported with funds from the  
18 planned community association education trust fund pursuant to  
19 section 421J-G:

20 (1) Shall include a fee of \$375 to be paid by each party  
21 to the mediator;





1           SECTION 6. Section 26-9, Hawaii Revised Statutes, is  
2 amended by amending subsection (o) to read as follows:

3           "(o) Every person licensed under any chapter within the  
4 jurisdiction of the department of commerce and consumer affairs  
5 and every person licensed subject to chapter 485A or registered  
6 under chapter 467B shall pay upon issuance of a license, permit,  
7 certificate, or registration a fee and a subsequent annual fee  
8 to be determined by the director and adjusted from time to time  
9 to ensure that the proceeds, together with all other fines,  
10 income, and penalties collected under this section, do not  
11 surpass the annual operating costs of conducting compliance  
12 resolution activities required under this section. The fees may  
13 be collected biennially or pursuant to rules adopted under  
14 chapter 91, and shall be deposited into the special fund  
15 established under this subsection. Every filing pursuant to  
16 chapter 514E or section 485A-202(a)(26) shall be assessed, upon  
17 initial filing and at each renewal period in which a renewal is  
18 required, a fee that shall be prescribed by rules adopted under  
19 chapter 91, and that shall be deposited into the special fund  
20 established under this subsection. Any unpaid fee shall be paid  
21 by the licensed person, upon application for renewal,



1 restoration, reactivation, or reinstatement of a license, and by  
2 the person responsible for the renewal, restoration,  
3 reactivation, or reinstatement of a license, upon the  
4 application for renewal, restoration, reactivation, or  
5 reinstatement of the license. If the fees are not paid, the  
6 director may deny renewal, restoration, reactivation, or  
7 reinstatement of the license. The director may establish,  
8 increase, decrease, or repeal the fees when necessary pursuant  
9 to rules adopted under chapter 91. The director may also  
10 increase or decrease the fees pursuant to section 92-28.

11 There is created in the state treasury a special fund to be  
12 known as the compliance resolution fund to be expended by the  
13 director's designated representatives as provided by this  
14 subsection. Notwithstanding any law to the contrary, all  
15 revenues, fees, and fines collected by the department shall be  
16 deposited into the compliance resolution fund. Unencumbered  
17 balances existing on June 30, 1999, in the cable television fund  
18 under chapter 440G, the division of consumer advocacy fund under  
19 chapter 269, the financial institution examiners' revolving  
20 fund, section 412:2-109, the special handling fund, section  
21 414-13, and unencumbered balances existing on June 30, 2002, in



1 the insurance regulation fund, section 431:2-215, shall be  
2 deposited into the compliance resolution fund. This provision  
3 shall not apply to the drivers education fund underwriters fee,  
4 sections 431:10C-115 and 431:10G-107, insurance premium taxes  
5 and revenues, revenues of the workers' compensation special  
6 compensation fund, section 386-151, the captive insurance  
7 administrative fund, section 431:19-101.8, the insurance  
8 commissioner's education and training fund, section 431:2-214,  
9 the medical malpractice patients' compensation fund as  
10 administered under section 5 of Act 232, Session Laws of Hawaii  
11 1984, and fees collected for deposit in the office of consumer  
12 protection restitution fund, section 487-14, the real estate  
13 appraisers fund, section 466K-1, the real estate recovery fund,  
14 section 467-16, the real estate education fund, section 467-19,  
15 the contractors recovery fund, section 444-26, the contractors  
16 education fund, section 444-29, the planned community  
17 association education fund, section 421J-G, the condominium  
18 education trust fund, section 514B-71, and the mortgage  
19 foreclosure dispute resolution special fund, section 667-86.  
20 Any law to the contrary notwithstanding, the director may use  
21 the moneys in the fund to employ, without regard to chapter 76,



1 hearings officers and attorneys. All other employees may be  
2 employed in accordance with chapter 76. Any law to the contrary  
3 notwithstanding, the moneys in the fund shall be used to fund  
4 the operations of the department. The moneys in the fund may be  
5 used to train personnel as the director deems necessary and for  
6 any other activity related to compliance resolution.

7 A separate special subaccount of the compliance resolution  
8 fund, to be known as the post-secondary education authorization  
9 special subaccount, shall be established for fees collected by  
10 the department of commerce and consumer affairs pursuant to  
11 chapter 305J. The special subaccount shall be governed by  
12 section 305J-19.

13 As used in this subsection, unless otherwise required by  
14 the context, "compliance resolution" means a determination of  
15 whether:

- 16 (1) Any licensee or applicant under any chapter subject to  
17 the jurisdiction of the department of commerce and  
18 consumer affairs has complied with that chapter;
- 19 (2) Any person subject to chapter 485A has complied with  
20 that chapter;
- 21 (3) Any person submitting any filing required by chapter





1           514E or section 485A-202(a)(26) has complied with  
2           chapter 514E or section 485A-202(a)(26);  
3           (4) Any person has complied with the prohibitions against  
4           unfair and deceptive acts or practices in trade or  
5           commerce; or  
6           (5) Any person subject to chapter 467B has complied with  
7           that chapter;  
8           and includes work involved in or supporting the above functions,  
9           licensing, or registration of individuals or companies regulated  
10          by the department, consumer protection, and other activities of  
11          the department.

12          The director shall prepare and submit an annual report to  
13          the governor and the legislature on the use of the compliance  
14          resolution fund. The report shall describe expenditures made  
15          from the fund including non-payroll operating expenses."

16          SECTION 7. Section 467-4, Hawaii Revised Statutes, is  
17          amended to read as follows:

18          "**§467-4 Powers and duties of commission.** In addition to  
19          any other powers and duties authorized by law, the real estate  
20          commission shall:



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- 1           (1) Grant licenses, registrations, and certificates  
2                   pursuant to this chapter;
- 3           (2) Adopt, amend, or repeal rules as it may deem proper to  
4                   effectuate this chapter and carry out its purpose,  
5                   which is the protection of the general public in its  
6                   real estate transactions. All rules shall be approved  
7                   by the governor and the director of commerce and  
8                   consumer affairs, and when adopted pursuant to chapter  
9                   91 shall have the force and effect of law. The rules  
10                  may forbid acts or practices deemed by the commission  
11                  to be detrimental to the accomplishment of the purpose  
12                  of this chapter, and the rules may require real estate  
13                  brokers and salespersons to complete educational  
14                  courses or to make reports to the commission  
15                  containing items of information as will better enable  
16                  the commission to enforce this chapter and the rules,  
17                  or as will better enable the commission from time to  
18                  time to amend the rules to more fully effect the  
19                  purpose of this chapter, and, further, the rules may  
20                  require real estate brokers and salespersons to  
21                  furnish reports to their clients containing matters of



1 information as the commission deems necessary to  
2 promote the purpose of this chapter. This enumeration  
3 of specific matters that may properly be made the  
4 subject of rules shall not be construed to limit the  
5 commission's broad general power to make all rules  
6 necessary to fully effectuate the purpose of this  
7 chapter;

8 (3) Enforce this chapter and rules adopted pursuant  
9 thereto;

10 (4) Suspend, fine, terminate, or revoke any license,  
11 registration, or certificate for any cause prescribed  
12 by this chapter, or for any violation of the rules,  
13 and may also require additional education or  
14 reexamination, and refuse to grant any license,  
15 registration, or certificate for any cause that would  
16 be a ground for suspension, fine, termination, or  
17 revocation of a license, registration, or certificate;

18 (5) Report to the governor and the legislature relevant  
19 information that shall include but not be limited to a  
20 summary of the programs and financial information  
21 about the trust funds, including balances and budgets,



1 through the director of commerce and consumer affairs  
2 annually, before the convening of each regular  
3 session, and at other times and in other manners as  
4 the governor or the legislature may require concerning  
5 its activities;

6 (6) Publish and distribute pamphlets and circulars,  
7 produce seminars and workshops, hold meetings in all  
8 counties, and require other education regarding any  
9 information as is proper to further the accomplishment  
10 of the purpose of this chapter;

11 (7) Enter into contract or contracts with qualified  
12 persons to assist the commission in effectuating the  
13 purpose of this chapter; ~~and~~

14 (8) Establish standing committees to assist in  
15 effectuating this chapter and carry out its purpose,  
16 which shall meet not less often than ten times  
17 annually, and shall from time to time meet in each of  
18 the counties[-]; and

19 (9) Enforce chapter 421J and rules adopted pursuant to  
20 that chapter."

21 PART IV



# H.B. NO. 432

1           SECTION 8. In codifying the new sections added by sections  
 2 1 and 3 of this Act, the revisor of statutes shall substitute  
 3 appropriate section numbers for the letters used in designating  
 4 the new sections in this Act.

5           SECTION 9. Statutory material to be repealed is bracketed  
 6 and stricken. New statutory material is underscored.

7           SECTION 10. This Act shall take effect upon its approval.  
 8

INTRODUCED BY:

*Stacy M. Mai*  
*R. DeLorenzo*  
*[Signature]*  
*[Signature]*

JAN 18 2019



# H.B. NO. 432

**Report Title:**

Planned Community Associations; Real Estate Commission; Registration; Administration; Enforcement; Planned Community Association Education Trust Fund; Mediation; Arbitration

**Description:**

On or before June 30, 2021, requires planned community associations to register with the real estate commission. Requires the real estate commission to administer and enforce planned community association laws. Establishes the planned community association trust fund for specific purposes related to planned community associations, including the use of mediation and arbitration of association related disputes.

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

