
HOUSE RESOLUTION

URGING THE REAL ESTATE COMMISSION TO DEVELOP TRAINING FOR
CONDOMINIUM ASSOCIATION BOARD MEMBERS.

1 WHEREAS, there are over 1,000 condominium associations in
2 Hawaii, with over 10,000 volunteer board members serving 350,000
3 people living in condominiums; and
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5 WHEREAS, Hawaii's condominium association board members are
6 owners of units in the condominiums and have fiduciary
7 responsibility for over \$30 billion dollars of assets; and
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9 WHEREAS, association board members are not usually required
10 to have prior training and expertise in legal matters; and
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12 WHEREAS, the Real Estate Commission under Department of
13 Commerce and Consumer Affairs oversees the statues governing
14 condominiums and their associations; and
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16 WHEREAS, the Condominium Education Trust Fund, under the
17 purview of the Real Estate Commission, has the statutory mandate
18 to provide education and improvement of condominium management;
19 and
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21 WHEREAS, all condominium associations pay annual fees to
22 the Condominium Education Trust Fund, which had a balance of
23 over \$2,000,000 as of June 30, 2018, with estimated annual
24 revenues paid by condominium fees of over \$600,000; and
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26 WHEREAS, the volunteer directors on condominium association
27 boards have diverse backgrounds, but may need additional
28 training in specific topics, such as the basics of governing
29 documents, the director's fiduciary duty, codes of conduct,
30 conflicts of interest, business best judgement, and
31 confidentiality of executive session matters; now, therefore,
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H.R. NO. 160

1 BE IT RESOLVED by the House of Representatives of the
 2 Thirtieth Legislature of the State of Hawaii, Regular Session of
 3 2019, that the Real Estate Commission's Condominium Review
 4 Committee and its Ad Hoc Committee on Condominium Education and
 5 Research is urged to create curriculum that covers the following
 6 topics:

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- 8 (1) How to understand association governing documents;
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- 10 (2) A director's fiduciary duty;
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- 12 (3) General code of conduct for board members;
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- 14 (4) Conflicts of interest;
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- 16 (5) The business judgment rule; and
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- 18 (6) Confidentiality of executive session matters; and
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20 BE IT FURTHER RESOLVED that curriculum shall be taught
 21 annually in each county, made available by video to the public,
 22 and publicized to the condominium associations that pay fees
 23 into the Condominium Education Trust Fund; and

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 25 BE IT FURTHER RESOLVED the cost for creating and
 26 disseminating the curriculum to all condominium associations
 27 shall come from the Condominium Education Trust Fund; and

28
 29 BE IT FURTHER RESOLVED that certified copies of this
 30 Concurrent Resolution be transmitted to the Governor, the
 31 Director of Department of Commerce and Consumer Affairs, the
 32 Chairperson of the Real Estate Commission and its Ad Hoc
 33 Committee on Condominium Education and Research, the Community
 34 Associations Network, the Hawaii Condominium and Homeowner's
 35 Association, and the Hawaii Council of Community Association.

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H.R. NO. 160

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