HOUSE OF REPRESENTATIVES THIRTIETH LEGISLATURE, 2019 STATE OF HAWAII

H.R. NO. 140

HOUSE RESOLUTION

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

WHEREAS, there are over 1,000 condominium associations in 1 2 Hawaii, with over 10,000 volunteer board members serving 350,000 3 people living in condominiums; and 4 5 WHEREAS, Hawaii's condominium association board members are 6 owners of units in the condominiums and have fiduciary responsibility for over \$30 billion dollars of assets; and 7 8 9 WHEREAS, association board members are not usually required to have prior training and expertise in legal matters; and 10 11 12 WHEREAS, the Real Estate Commission under Department of Commerce and Consumer Affairs oversees the statues governing 13 14 condominiums and their associations; and 15 WHEREAS, the Condominium Education Trust Fund, under the 16 purview of the Real Estate Commission, has the statutory mandate 17 to provide education and improvement of condominium management; 18 19 and 20 WHEREAS, all condominium associations pay annual fees to 21 the Condominium Education Trust Fund, which had a balance of 22 23 over \$2,000,000 as of June 30, 2018, with estimated annual revenues paid by condominium fees of over \$600,000; and 24 25 WHEREAS, the volunteer directors on condominium association 26 boards have diverse backgrounds, but may need additional 27 training in specific topics, such as the basics of governing 28 documents, the director's fiduciary duty, codes of conduct, 29 conflicts of interest, business best judgement, and 30 confidentiality of executive session matters; now, therefore, 31 32

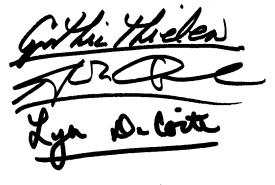


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BE IT RESOLVED by the House of Representatives of the 1 2 Thirtieth Legislature of the State of Hawaii, Regular Session of 2019, that the Real Estate Commission's Condominium Review 3 4 Committee and its Ad Hoc Committee on Condominium Education and 5 Research is urged to create curriculum that covers the following 6 topics: 7 8 (1) How to understand association governing documents; 9 10 (2) A director's fiduciary duty; 11 12 (3) General code of conduct for board members; 13 14 (4) Conflicts of interest; 15 16 (5) The business judgment rule; and 17 Confidentiality of executive session matters; and 18 (6) 19 20 BE IT FURTHER RESOLVED that curriculum shall be taught annually in each county, made available by video to the public, 21 and publicized to the condominium associations that pay fees 22 23 into the Condominium Education Trust Fund; and 24 25 BE IT FURTHER RESOLVED the cost for creating and disseminating the curriculum to all condominium associations 26 27 shall come from the Condominium Education Trust Fund; and 28 BE IT FURTHER RESOLVED that certified copies of this 29 30 Concurrent Resolution be transmitted to the Governor, the Director of Department of Commerce and Consumer Affairs, the 31 32 Chairperson of the Real Estate Commission and its Ad Hoc 33 Committee on Condominium Education and Research, the Community Associations Network, the Hawaii Condominium and Homeowner's 34 Association, and the Hawaii Council of Community Association. 35 36 37 38 OFFERED BY

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