
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 the proper use of fees paid
9 to an association;
- 10 (2) Establish accountability standards and benchmarks for
11 the selection of vendors by a homeowners association
12 to 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,



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- 1 including economic performance, for agreed upon
2 services between the homeowner and the homeowners
3 association or vendors 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 to enforce any statute,
14 regulation, or administrative rule governing
15 homeowners associations;
- 16 (7) Establish educational programs for homeowners and
17 disseminate information to homeowners on a homeowner's
18 rights, including means of challenging the
19 appropriateness of fees paid versus services provided
20 and the availability of mediation and dispute
21 resolution; and



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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 2020.

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

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INTRODUCED BY:

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[Handwritten signature: M. Agui]
[Handwritten signature: R. Jones]

JAN 18 2019



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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 2020 Regular Session.

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

