A BILL FOR AN ACT

RELATING TO INFRASTRUCTURE MAINTENANCE IN HOUSING SUBDIVISIONS.

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

1 SECTION 1. The legislature finds that some housing 2 subdivisions in the State have been approved without a 3 requirement that the lot owners fund the repair and maintenance 4 of the private roads and other infrastructure within the 5 subdivision. Unlike condominium property regimes, many housing 6 subdivisions are not subject to a statutory framework or an 7 oversight agency to oversee the creation, monitoring, training, 8 and auditing of the various volunteer associations responsible 9 for the subdivision infrastructure. Accordingly, the judicial 10 system has created a patchwork system through judgments in 11 various lawsuits that does not provide adequate oversight.

12 The legislature further finds that in the case of *Paradise* 13 *Hui Hanalike v. Hawaiian Paradise Park Corp.*, 66 Haw. 362, 662 14 P.2d 211 (1983), the Hawaii supreme court found that there 15 exists a legal duty for property owners whose property abut 16 subdivision roads to contribute to the necessary maintenance of 17 those subdivision roads. More recently, in *Kaanapali Hillside*



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Homeowners' Ass'n v. Doran, 112 Hawai'i 356, 145 P.3d 899 (App.
 2006), property owners questioned an association's authority to
 collect an assessment because that authority was not recorded
 against the property owners' lot.

5 The legislature additionally finds that there is currently 6 no oversight agency for some associations whose assessment 7 collections are more than \$1 million per year. The inability to collect assessments from lot owners of some subdivisions with no 8 9 court-approved corporation, association, or entity results in 10 substandard and deeply rutted roads that can delay emergency vehicles that respond to emergency situations, including crime 11 12 scenes. Further, numerous structures have been destroyed 13 because a fire truck was not able to arrive in time.

Accordingly, the purpose of this Act is to establish a working group to address the problem of infrastructure repair and maintenance in planned housing subdivisions that do not have compulsory community associations.

18 SECTION 2. (a) There is established a working group to
19 study and address housing subdivision infrastructure maintenance
20 and repair for planned housing subdivisions that do not have
21 compulsory community associations in counties with populations

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greater than one hundred seventy thousand but less than three
 hundred thousand.

The working group shall be comprised of members of 3 (b) the Hawaii Council of Community Associations, Hawaii Chapter of 4 the Community Associations Institute, community stakeholders as 5 6 designated by the Hawaii Council of Community Associations, a 7 representative of the planning department for the affected county, a representative from the state house of representatives 8 9 who represents the affected district, and a senator from the 10 state senate who represents the affected district.

11 (c) The working group shall study and address the 12 following:

13 (1)The payment and collection of assessments necessary 14 for the repair and maintenance of subdivision roads; 15 (2) The payment and collection of assessments necessary 16 for the repair and maintenance of subdivision 17 infrastructure and appurtenances, other than roads; The role of each county in paragraphs (1) and (2); 18 (3) 19 (4) Amendments to chapter 421J, Hawaii Revised Statutes, if any, to address housing subdivision infrastructure 20

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1		maintenance and repair for subdivisions that do not
2		have compulsory community associations; and
3	(5)	Any other issue that may arise, pursuant to the
4		discretion of the working group.
5	(d)	The working group shall submit a report of its
6	findings	and recommendations, including any proposed
7	legislati	on, to the legislature no later than twenty days prior
8	to the co	nvening of the regular session of 2023.
9	(e)	The members of the working group shall serve without
10	compensat	ion but shall be reimbursed for expenses, including
11	travel ex	penses, necessary for the performance of their duties.
12	(f)	The working group shall be dissolved on June 30, 2023.
13	SECT	ION 3. This Act shall take effect on July 1, 2050.



S.B. NO. $^{3324}_{S.D. 2}$

Report Title:

Housing Subdivisions; Road Repair and Maintenance; Assessments; County Duties

Description:

Establishes a working group to address the problem of infrastructure repair and maintenance in planned housing subdivisions that do not have compulsory community associations. Effective 7/1/2050. (SD2)

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

