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# A BILL FOR AN ACT

RELATING TO COMMON-INTEREST DEVELOPMENTS.

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

1           SECTION 1. The legislature finds that common-interest  
2 developments are the fastest growing form of housing in the  
3 world and a significant form of land development in the State.  
4 In the State, common-interest developments exist in a variety of  
5 forms, including condominium property regimes, planned  
6 communities, and cooperative housing corporations. In these  
7 developments, individuals own property within the development,  
8 share ownership and use of common property with all other  
9 owners, and participate in a system of self-governance through  
10 an association or corporation of the owners within the  
11 development.

12           The legislature further finds that the governance documents  
13 of the association or corporation provide the manner for  
14 resolving any disputes that may arise within the development.  
15 However, while owners within condominium associations may also  
16 request the department of commerce and consumer affairs,  
17 including the real estate commission and regulated industries



1 complaints office, to facilitate in the resolution of or  
2 intervene in a dispute, the owners in other developments are  
3 unable to request such support. Instead, the owners in those  
4 developments must privately resolve their disputes through their  
5 internal processes or judicial process. Such a resort may be  
6 costly to the owner in comparison to the gravity of the dispute  
7 and an alternative mechanism for oversight should be examined.

8 Accordingly, the purpose of this Act is to establish a  
9 common-interest development oversight task force to study and  
10 recommend to the legislature the feasibility of bringing the  
11 various common-interest developments in the State under the  
12 oversight of the department of commerce and consumer affairs.

13 SECTION 2. (a) There is established a common-interest  
14 development oversight task force within the department of  
15 commerce and consumer affairs for administrative purposes that  
16 shall consist of the following members:

17 (1) A representative of the department of commerce and  
18 consumer affairs, to be designated by the director of  
19 commerce and consumer affairs;



- 1 (2) A member of the house of representatives, to be  
2 designated by the speaker of the house of  
3 representatives;
- 4 (3) A member of the senate, to be designated by the  
5 president of the senate; and
- 6 (4) Any additional member as deemed necessary by the task  
7 force.
- 8 (b) The task force shall:
- 9 (1) Investigate the feasibility of bringing the various  
10 common-interest developments in the State under the  
11 oversight of the department of commerce and consumer  
12 affairs, including but not limited to registration and  
13 enforcement of the controlling statutory chapters  
14 421I, 421J, and 514B, Hawaii Revised Statutes;
- 15 (2) Investigate whether additional duties and fiduciary  
16 responsibilities should be placed on members of boards  
17 of directors of a cooperative housing corporation; and
- 18 (3) Develop any necessary legislation to effectuate the  
19 purposes of this subsection.
- 20 (c) The members of the task force shall serve without  
21 compensation, but shall be reimbursed for reasonable expenses



1 necessary for the performance of their duties, including travel  
2 expenses.

3 (d) The task force shall submit a report of its findings  
4 and recommendations, including any proposed legislation, to the  
5 legislature no later than twenty days prior to the convening of  
6 the regular session of 2024.

7 (e) The task force shall cease on June 30, 2024.

8 SECTION 3. This Act shall take effect on June 30, 3000.



**Report Title:**

Common-Interest Development Oversight Task Force; DCCA;  
Condominium Associations; Planned Community Associations;  
Cooperative Housing Corporations

**Description:**

Establishes the common-interest development oversight task force to examine the feasibility of bringing the various common-interest developments in the State under the oversight of the department of commerce and consumer affairs and investigate whether additional duties and responsibilities should be placed on members of boards of directors for cooperative housing corporations. Effective 6/30/3000. (HD1)

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