
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 Common-interest developments exist in a variety of forms in the
5 State, 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 the judicial process. Such a resort may
6 be costly to the owner in comparison to the gravity of the
7 dispute and an alternative mechanism for oversight should be
8 examined.

9 Accordingly, the purpose of this Act is to:

- 10 (1) Establish a planned community association oversight
11 task force to examine the rights afforded to
12 condominium property regime owners under chapter 514B,
13 Hawaii Revised Statutes, and determine the feasibility
14 of extending any of those rights to members of planned
15 community associations under chapter 421J, Hawaii
16 Revised Statutes; and
- 17 (2) Establish a condominium property regime task force to
18 examine and evaluate issues regarding condominium
19 property regimes under chapter 514B, Hawaii Revised
20 Statutes, and conduct an assessment of the alternative



1 dispute resolution system that were established by the
2 legislature.

3 SECTION 2. (a) There is established a planned community
4 association oversight task force within the department of
5 commerce and consumer affairs for administrative purposes that
6 shall consist of the following members:

7 (1) A representative of the department of commerce and
8 consumer affairs, to be designated by the director of
9 commerce and consumer affairs;

10 (2) A member of the house of representatives, to be
11 designated by the speaker of the house of
12 representatives;

13 (3) A member of the senate, to be designated by the
14 president of the senate; and

15 (4) Any additional members as deemed necessary by the task
16 force.

17 (b) The task force shall:

18 (1) Examine rights afforded to condominium property regime
19 owners under chapter 514B, Hawaii Revised Statutes,
20 and determine the feasibility of extending any of
21 those rights to members of planned community



1 associations under chapter 421J, Hawaii Revised
2 Statutes;

3 (2) Investigate whether additional duties and fiduciary
4 responsibilities should be placed on members of the
5 board of directors of planned community associations;
6 and

7 (3) Develop any legislation necessary to effectuate the
8 purposes of this subsection.

9 (c) The members of the task force shall serve without
10 compensation, but shall be reimbursed for reasonable expenses
11 necessary for the performance of their duties, including travel
12 expenses.

13 (d) The task force shall submit an interim report of its
14 findings and recommendations, including any proposed
15 legislation, to the legislature no later than twenty days prior
16 to the convening of the regular session of 2024.

17 (e) The task force shall submit a final report of its
18 findings and recommendations, including any proposed
19 legislation, to the legislature no later than twenty days prior
20 to the convening of the regular session of 2025.

21 (f) The task force shall cease on June 30, 2025.



1 SECTION 3. (a) There is established a condominium
2 property regime task force within the department of commerce and
3 consumer affairs for administrative purposes that shall consist
4 of the following members:

5 (1) A representative of the department of commerce and
6 consumer affairs, to be designated by the director of
7 commerce and consumer affairs;

8 (2) A member of the house of representatives, to be
9 designated by the speaker of the house of
10 representatives;

11 (3) A member of the senate, to be designated by the
12 president of the senate; and

13 (4) Any additional members as deemed necessary by the task
14 force.

15 (b) The task force shall:

16 (1) Examine and evaluate issues regarding condominium
17 property regimes under chapter 514B, Hawaii Revised
18 Statutes, and conduct an assessment of the alternative
19 dispute resolution systems that have been established
20 by the legislature;



1 (2) Investigate whether additional duties and fiduciary
2 responsibilities should be placed on members of boards
3 of directors of condominium property regimes; and

4 (3) Develop any legislation necessary to effectuate the
5 purposes of this subsection.

6 (c) The members of the task force shall serve without
7 compensation, but shall be reimbursed for reasonable expenses
8 necessary for the performance of their duties, including travel
9 expenses.

10 (d) The task force shall submit an interim report of its
11 findings and recommendations, including any proposed
12 legislation, to the legislature no later than twenty days prior
13 to the convening of the regular session of 2024.

14 (e) The task force shall submit a final report of its
15 findings and recommendations, including any proposed
16 legislation, to the legislature no later than twenty days prior
17 to the convening of the regular session of 2025.

18 (f) The task force shall cease on June 30, 2025.

19 SECTION 4. This Act shall take effect on June 30, 3000.



Report Title:

Planned Community Association Oversight Task Force; Condominium Property Regime Task Force; DCCA; Condominium Associations; Planned Community Associations; Alternative Dispute Resolution

Description:

Establishes a Planned Community Association Oversight Task Force within the Department of Commerce and Consumer Affairs to examine the rights afforded to condominium property regime owners under chapter 514B, Hawaii Revised Statutes, and determine the feasibility of extending any of those rights to members of planned community associations under chapter 421J, Hawaii Revised Statutes. Establishes a Condominium Property Regime Task Force to examine and evaluate issues regarding condominium property regimes under chapter 514B, Hawaii Revised Statutes, and conduct an assessment of the alternative dispute resolution systems that have been established by the Legislature. Effective 6/30/3000. (SD1)

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