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# A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

1 PART I

2 SECTION 1. Chapter 96, Hawaii Revised Statutes, is amended  
3 by adding a new section to be appropriately designated and to  
4 read as follows:

5 "§96- Condominium ombudsman; real estate commission;  
6 certain matters. (a) There is established a condominium  
7 ombudsman to be administratively attached to the real estate  
8 commission to receive and investigate complaints by condominium  
9 unit owners against the real estate commission regarding the  
10 real estate commission's duties under section 467-4(9).

11 (b) With respect to any investigation under subsection  
12 (a), the condominium ombudsman's findings shall be issued no  
13 later than thirty business days after the filing of the  
14 complaint with the condominium ombudsman.

15 (c) This section shall not be construed to establish the  
16 condominium ombudsman as an authority to which any party may



1 file an appeal in any matter relating to the real estate  
2 commission."

3 SECTION 2. Section 467-4, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "**§467-4 Powers and duties of commission.** In addition to  
6 any other powers and duties authorized by law, the real estate  
7 commission shall:

8 (1) Grant licenses, registrations, and certificates  
9 pursuant to this chapter;

10 (2) Adopt, amend, or repeal rules as it may deem proper to  
11 effectuate this chapter and carry out its purpose,  
12 which is the protection of the general public in its  
13 real estate transactions. All rules shall be approved  
14 by the governor and director of commerce and consumer  
15 affairs, and when adopted pursuant to chapter 91 shall  
16 have the force and effect of law. The rules may  
17 forbid acts or practices deemed by the commission to  
18 be detrimental to the accomplishment of the purpose of  
19 this chapter~~[, and the rules may]~~; require real estate  
20 brokers and salespersons to complete educational  
21 courses or to make reports to the commission



1 containing items of information [~~as~~] that will better  
 2 enable the commission to enforce this chapter and the  
 3 rules, or [~~as~~] that will better enable the commission  
 4 from time to time to amend the rules to more fully  
 5 effect the purpose of this chapter~~[7]~~; and~~[7-further,7]~~  
 6 the rules may require real estate brokers and  
 7 salespersons to furnish reports to their clients  
 8 containing matters of information [~~as~~] that the  
 9 commission deems necessary to promote the purpose of  
 10 this chapter. This enumeration of specific matters  
 11 that may properly be made the subject of rules shall  
 12 not be construed to limit the commission's broad  
 13 general power to make all rules necessary to fully  
 14 effectuate the purpose of this chapter;

- 15 (3) Enforce this chapter and rules adopted pursuant
- 16 thereto;
- 17 (4) Suspend, fine, terminate, or revoke any license,
- 18 registration, or certificate for any cause prescribed
- 19 by this chapter, or for any violation of the rules,
- 20 and may require additional education or reexamination,
- 21 and refuse to grant any license, registration, or



1 certificate for any cause that would be a ground for  
2 suspension, fine, termination, or revocation of a  
3 license, registration, or certificate;

4 (5) Report to the governor and legislature relevant  
5 information that shall include but not be limited to a  
6 summary of the programs and financial information  
7 about the trust funds, including balances and budgets,  
8 through the director of commerce and consumer affairs  
9 annually, before the convening of each regular  
10 session, and at other times and in other manners as  
11 the governor or [~~the~~] legislature may require  
12 concerning its activities;

13 (6) Publish and distribute pamphlets and circulars,  
14 produce seminars and workshops, hold meetings in all  
15 counties, and require other education regarding any  
16 information as is proper to further [~~the~~  
17 ~~accomplishment of~~] accomplish the purpose of this  
18 chapter;

19 (7) Enter into a contract or contracts with qualified  
20 persons to assist the commission in effectuating the  
21 purpose of this chapter;



1 (8) Develop a curriculum for leadership training for  
2 condominium boards of directors, including pertinent  
3 provisions of chapter 514B, association governing  
4 documents, and the fiduciary duties of board members;  
5 [~~and~~]

6 (9) Receive and investigate complaints by condominium unit  
7 owners against associations that are subject to  
8 chapter 514B; and

9 [+9+] (10) Establish standing committees to assist in  
10 effectuating this chapter and carry out its purpose,  
11 which shall meet no less than ten times annually, and  
12 shall from time to time meet in each of the counties."

13 PART II

14 SECTION 3. Section 514B-106, Hawaii Revised Statutes, is  
15 amended by amending subsection (f) to read as follows:

16 "(f) At any regular or special meeting of the association,  
17 any member of the board may be removed and successors shall be  
18 elected for the remainder of the term to fill the vacancies thus  
19 created. The removal and replacement shall be by a vote of a  
20 majority of the unit owners and, otherwise, in accordance with  
21 all applicable requirements and procedures in the bylaws for the



1 removal and replacement of directors, including any provision  
2 relating to cumulative voting, and, if removal and replacement  
3 is to occur at a special meeting, section 514B-121(c)."

4 PART III

5 SECTION 4. This Act does not affect rights and duties that  
6 matured, penalties that were incurred, and proceedings that were  
7 begun before its effective date.

8 SECTION 5. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10 SECTION 6. This Act shall take effect on July 1, 2491.



**Report Title:**

Condominiums; Real Estate Commission; Unit Owners; Associations;  
Condominium Ombudsman; Condominium Boards; Directors; Removal

**Description:**

Part I: Requires the Real Estate Commission (Commission) to receive and investigate complaints by condominium unit owners against associations that are subject to condominium laws. Establishes a Condominium Ombudsman to receive and investigate complaints by condominium unit owners against the Commission regarding the Commission's foregoing duties. Requires the Condominium Ombudsman to issue findings within thirty business days after a complaint is filed. Part II: Prevents a simple majority of unit owners from immediately removing a director that was elected by cumulative voting during any regular or special meeting of an association. Takes effect 7/1/2491.  
(SD1)

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

