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# A BILL FOR AN ACT

RELATING TO ASSOCIATION MANAGERS.

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

1       SECTION 1. The legislature finds that condominium  
2 associations often hire resident managers, site managers, and  
3 general managers to act as property managers to oversee a  
4 condominium project, its common elements, and the individual  
5 units within the condominium project. Oftentimes these projects  
6 have property values in the tens to hundreds of millions of  
7 dollars. The legislature further finds that condominium  
8 associations are governed by volunteer boards of directors who  
9 often have limited expertise in financing, property management,  
10 or building repair and maintenance. Therefore, it is crucial  
11 that the professional association managers hired to manage the  
12 day-to-day operations of condominium associations possess the  
13 specialized knowledge and expertise required to properly manage  
14 the associations they oversee. Furthermore, due to the  
15 establishment of more stringent structural facility maintenance  
16 requirements, it is more important than ever that condominium



1 unit owners' associations are properly managed to protect the  
2 life and safety of residents in their communities.

3 The legislature also finds that one way to ensure that  
4 association managers are qualified is by establishing licensing  
5 requirements. The establishment of licensing requirements for  
6 association managers will increase accountability, improve the  
7 safety of residents, guests, and property, and help ensure  
8 repair and maintenance obligations in condominium associations  
9 are addressed in a timely manner.

10 Accordingly, the purpose of this Act is to establish  
11 licensing and regulation requirements for association managers  
12 who oversee the daily operations of a condominium unit owners'  
13 association.

14 SECTION 2. Chapter 514B, Hawaii Revised Statutes, is  
15 amended by adding a new part to be appropriately designated and  
16 to read as follows:

17 **"PART . ASSOCIATION MANAGERS**

18 **§514B- Definitions.** As used in this part:

19 "Association manager" means any person, regardless of that  
20 person's title, who is hired or contracted by an association to  
21 oversee the daily operations of the association, including



1 managing the association's budget, collecting dues, managing  
2 delinquencies, bookkeeping, maintaining common areas, performing  
3 site inspections, complying with applicable laws, hiring  
4 association employees, updating and maintaining insurance  
5 policies, enforcing governing documents, performing dispute  
6 resolution, and managing vendors.

7 "Department" means the department of commerce and consumer  
8 affairs.

9 **§514B- License required.** (a) Beginning July 1, 2027,  
10 it shall be unlawful for any person to be employed or contracted  
11 by an association as an association manager without having first  
12 obtained a license as provided in this part.

13 (b) Any person who violates this section shall be subject  
14 to a fine of not more than \$ for each separate  
15 offense. Each day of each violation shall constitute a separate  
16 offense.

17 **§514B- Exemptions.** This part shall not apply to any  
18 employee or contractor of an association manager who works under  
19 the supervision or direction of a person who is licensed under  
20 this part.



1           **§514B-       Real estate commission; additional powers.**   (a)

2   In addition to any other powers and duties authorized by law,  
3   the commission shall:

- 4           (1)   Establish licensure requirements for association  
5               managers, including proof of completion of any third-  
6               party training classes;
- 7           (2)   Grant, deny, or renew licenses to association  
8               managers;
- 9           (3)   Adopt, amend, or repeal rules, pursuant to chapter 91,  
10           not inconsistent with the law, as may be necessary to  
11           administer, coordinate, and enforce the licensure of  
12           association managers pursuant to this chapter;
- 13          (4)   Take disciplinary action against an association  
14           manager for violation of this chapter or any rules  
15           adopted pursuant to this part;
- 16          (5)   Develop and adopt rules relating to the provision of  
17           services by association managers; and
- 18          (6)   Adopt a code of ethics to address permissible and  
19           prohibited activities of licensees.

20           **§514B-       License fees.**   The department shall collect a  
21   license fee in an amount determined by the department to be



# H.B. NO. 1312

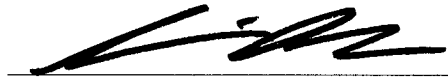
1 reasonably necessary to reimburse the department for the costs  
2 incurred in establishing and administering the association  
3 manager licensure program pursuant to this part."

4 SECTION 3. This Act does not affect rights and duties that  
5 matured, penalties that were incurred, and proceedings that were  
6 begun before its effective date.

7 SECTION 4. This Act shall take effect on July 1, 2025.

8

INTRODUCED BY:



JAN 22 2025



# H.B. NO. 1312

**Report Title:**

DCCA; Association Managers; Real Estate Commission; Condominium Unit Owners' Associations; Managers; Licensing

**Description:**

Creates regulation requirements for association managers who oversee the daily operations of a condominium unit owners' association. Beginning 7/1/2027, requires licensure of association managers by the Real Estate Commission.

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

