



GOV. MSG. NO. **1013**

EXECUTIVE CHAMBERS

HONOLULU

LINDA LINGLE
GOVERNOR

July 2, 2007

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on July 2, 2007, the following bill was signed into law:

SB1654 SD1 HD1

A BILL FOR AN ACT RELATING TO CONDOMINIUM
MANAGEMENT DISPUTE RESOLUTION.
(ACT 242)

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".
LINDA LINGLE

A BILL FOR AN ACT

RELATING TO CONDOMINIUM MANAGEMENT DISPUTE RESOLUTION.

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

1 SECTION 1. Hawaii's recodified condominium law is
2 contained in chapter 514B, Hawaii Revised Statutes (HRS). The
3 applicability of that chapter to "existing condominiums" is set
4 forth in section 514B-22, HRS, which provides that part VI of
5 the chapter, entitled "Management of Existing Condominiums",
6 applies to all condominiums created before July 1, 2006, but:

7 (1) *Shall apply only with respect to events and*
8 *circumstances occurring on or after July 1,*
9 *2006; and*

10 (2) *Shall not invalidate existing provisions of the*
11 *declaration, bylaws, condominium map, or other*
12 *constituent documents of those condominiums if*
13 *to do so would invalidate the reserved rights*
14 *of a developer or be an unreasonable impairment*
15 *of contract.*

16 Chapter 514B, HRS, allows for the mediation of condominium
17 disputes under section 514B-161, HRS, which is codified in part



1 VI of the chapter. Therefore, the legislature finds that this
2 section applies to condominiums created before July 1, 2006,
3 unless the section would unreasonably impair a contract or
4 invalidate rights that a developer reserved in the condominium
5 documents.

6 An administrative hearing dispute resolution procedure for
7 condominiums was established by Act 277, Session Laws of Hawaii
8 2006. The procedure will sunset on June 30, 2009, and was never
9 codified in chapter 514B, HRS. Although the procedure would
10 probably have been codified in part VI of chapter 514B, HRS,
11 nothing in Act 277 specifically requires this. Therefore, it is
12 not clear whether this hearing procedure applies to condominiums
13 existing before July 1, 2006, pursuant to section 514B-22, HRS.

14 The purpose of this Act is to ensure that the mediation and
15 administrative hearing dispute resolution procedures under
16 section 514B-161, HRS, and Act 277, Session Laws of Hawaii 2006,
17 apply and are available to:

18 (1) Condominiums that were created before July 1, 2006;

19 and

20 (2) Cases that were pending before the department of

21 commerce and consumer affairs office of administrative

22 hearings under the pilot dispute resolution project



1 established by Act 164, Session Laws of Hawaii 2004,
2 when that project was repealed on June 30, 2006.

3 SECTION 2. Act 277, Session Laws of Hawaii 2006, is
4 amended as follows:

5 1. By amending the prefatory language of section 1 to
6 read:

7 "SECTION 1. Chapter 514B, Hawaii Revised Statutes, is
8 amended by adding a new section to part VI to be appropriately
9 designated and to read as follows:"

10 SECTION 3. Cases that were pending before the office of
11 administrative hearings of the department of commerce and
12 consumer affairs as part of the condominium dispute resolution
13 pilot project established by section 28 of Act 164, Session Laws
14 of Hawaii 2004, on June 30, 2006, that may have been dismissed
15 due to the repeal of section 28 of Act 164, Session Laws of
16 Hawaii 2004, shall be reinstated, and regardless of whether they
17 are based on events and circumstances occurring before July 1,
18 2006, may be resolved under Act 277, Session Laws of Hawaii
19 2006.

20 SECTION 4. New statutory material is underscored.

21 SECTION 5. This Act shall take effect upon its approval.



S.B. NO. 1654
S.D. 1
H.D. 1



GOVERNOR OF THE STATE OF HAWAII

Approved this day: JUL 2 2007