

---

## HOUSE RESOLUTION

---

REQUESTING THE CONVENING OF A TASK FORCE TO CONDUCT A STUDY ON  
IMPOSING MANDATORY ALTERNATIVE DISPUTE RESOLUTION TO  
RESOLVE HOMEOWNERS ASSOCIATION DISPUTES.

1 WHEREAS, currently, major homeowners association disputes  
2 are handled by association boards that are also responsible for  
3 controlling millions of dollars in annual association dues and  
4 that consist of voluntary members who are in a position where  
5 their actions are often questioned; and  
6

7 WHEREAS, the lack of an alternative dispute resolution  
8 mechanism to resolve these disputes has resulted in litigation  
9 and, as a consequence, association coffers are being used for  
10 legal fees rather than common maintenance repairs; and  
11

12 WHEREAS, delays in resolving these disputes can ultimately  
13 affect the health and safety of hundreds of people, particularly  
14 in large subdivisions where the lack of maintenance leads to the  
15 disrepair of critical infrastructure, such as a major road; and  
16

17 WHEREAS, condominium complexes, which have similar disputes  
18 as homeowners associations, have access to benefits such as a  
19 Condominium Education Trust Fund under section 514B-71, Hawaii  
20 Revised Statutes, and arbitration and mediation under sections  
21 514B-161 and 514B-162, Hawaii Revised Statutes, but homeowners  
22 associations do not have such benefits; and  
23

24 WHEREAS, among its duties, the Real Estate Commission of  
25 the Department of Commerce and Consumer Affairs administers the  
26 Condominium Education Trust Fund, for which a fee is collected  
27 from each project and association under the Commission's  
28 jurisdiction, for purposes including financing or promoting  
29 expeditious and inexpensive procedures for resolving association  
30 disputes; and



## H.R. NO. 18

1 WHEREAS, the dispute resolution and mediation systems that  
2 currently exist within the Judiciary may meet the needs of  
3 homeowners associations; now, therefore,  
4

5 BE IT RESOLVED by the House of Representatives of the  
6 Twenty-ninth Legislature of the State of Hawaii, Regular Session  
7 of 2018, that the Department of Commerce and Consumer Affairs is  
8 requested to convene a task force to conduct a study and develop  
9 a plan for requiring homeowners association disputes to be  
10 resolved by dispute resolution alternatives prior to resorting  
11 to litigation; and  
12

13 BE IT FURTHER RESOLVED that this task force be composed of  
14 the following members:  
15

- 16 (1) The Director of Commerce and Consumer Affairs or the  
17 Director's designee;  
18
- 19 (2) A representative from the Alternative Dispute  
20 Resolution branch of the Judiciary selected by the  
21 Chief Justice;  
22
- 23 (3) The Ombudsman or the Ombudsman's designee;  
24
- 25 (4) The chair of the House Committee on Judiciary, or the  
26 chair's designee;  
27
- 28 (5) The chair of the Senate Committee on Judiciary, or the  
29 chair's designee;  
30
- 31 (6) A representative from a Homeowners Association  
32 selected by the Department of Commerce and Consumer  
33 Affairs;  
34
- 35 (7) A representative from the Legislative Reference  
36 Bureau, who shall provide legislative drafting  
37 assistance, should the task force propose any  
38 legislation; and



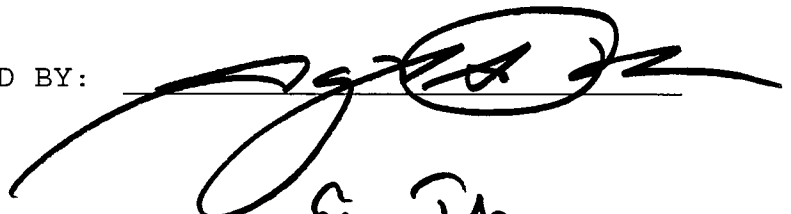
# H.R. NO. 18

(8) A member of the Hawaii Association of Realtors; and

BE IT FURTHER RESOLVED that the task force is requested to report its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2019; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Ombudsman, the Director of Commerce and Consumer Affairs, the Administrative Director of the Courts, the Acting Director of the Legislative Reference Bureau, the chair of the House Committee on Judiciary, the chair of the Senate Committee on Judiciary, and the President of the Hawaii Association of Realtors.

OFFERED BY:

  
Gordon  
T. Staki  
Cindy Evans  
Mark Lyman  
Keo A. -

FEB 06 2018

