## **HOUSE RESOLUTION**

REQUESTING THE CONVENING OF A TASK FORCE TO EXAMINE THE CREATION AND REGULATION OF HOMEOWNERS ASSOCIATIONS FOR PRE-STATEHOOD SUBDIVISIONS.

WHEREAS, subdivisions exist that were created prior to statehood that lack covenants, declarations, or other recorded instruments that impose responsibilities of homeowners or entities on the maintenance or operational responsibilities over common areas, such as private roads and infrastructure in the subdivision; and

WHEREAS, the lack of organizational documents for these pre-statehood subdivisions have led to various lawsuits and created a patchwork of court orders on a case-by-case basis; and

WHEREAS, an example of such limited issue court orders is Paradise Hui Hanalike v. Hawaiian Paradise Park Corporation, 66 Haw. 362, 662 P.2d 211 (1983), where the Hawaii Supreme Court held that landowners have a duty to contribute to the maintenance of private roads that abut the landowners' property even without any recorded instrument stating covenants and declarations; and

WHEREAS, however, such order gives no guidance as to the procedure for collection of contributions, the creation of the entity that collects the contributions or manages the money, or any audit ability by a governmental agency; and

WHEREAS, a number of these lawsuits involve subdivisions created prior to statehood in Hawaii County, which were able to collect hundreds of thousands to millions of dollars in annual dues; however, the dues-collecting entities are not subject to any oversight by a governmental agency; and

WHEREAS, as exemplified by multiple lawsuits, it is necessary to establish a procedure for the governance of

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pre-statehood subdivisions similar to the condominium property regimes governed by the State; now, therefore,

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BE IT RESOLVED by the House of Representatives of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2020, that a task force be convened to examine the creation and regulation of homeowners associations for pre-statehood subdivisions; and

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BE IT FURTHER RESOLVED that the task force is requested to include the following members, or their designees:

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One member of the House of Representatives, to be designated by the Speaker of the House of Representatives, who shall serve as co-chair of the task force;

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(2) One member of the Senate, to be designated by the President of the Senate, who shall serve as co-chair of the task force;

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(3) The Director of Commerce and Consumer Affairs;

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(4)A member of the Hawaii Council of Community Associations;

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(5) A member from the Community Associations Institute, Hawaii Chapter;

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(6) A parliamentarian from the National Association of Parliamentarians;

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(7) A representative from an association management company; and

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(8) Two representatives from pre-statehood subdivisions; and

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BE IT FURTHER RESOLVED that the chair is requested to invite other individuals with relevant knowledge or experience to be members of the task force; and

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BE IT FURTHER RESOLVED that the task force is requested to examine:

(1) The framework for the creation and regulatory oversight of any entity for the maintenance or operational responsibilities over common areas of pre-statehood created subdivisions;

(2) Whether to regulate these entities under the existing law governing planned community associations, Chapter 421J, Hawaii Revised Statutes, and if so, how to integrate the entities into the existing statutory framework; and

(3) Any other issues the task force may find relevant to the regulation of homeowners associations; and

BE IT FURTHER RESOLVED that the members of the task force shall serve without compensation; and

 BE IT FURTHER RESOLVED that the task force is requested to submit a report of 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 2021; and

 BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Director of Commerce and Consumer Affairs; President of the Hawaii Council of Community Associations; President of the National Association of Parliamentarians; and President of the Community Associations Institute, Hawaii Chapter.

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