
A BILL FOR AN ACT

RELATING TO PLANNED COMMUNITY ASSOCIATIONS.

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

1 SECTION 1. Section 421J-5, Hawaii Revised Statutes, is
2 amended by amending subsection (e) to read as follows:

3 "(e) A director who has a conflict of interest on any
4 issue before the board shall disclose the nature of the conflict
5 of interest prior to a vote on that issue at the board meeting,
6 and the minutes of the meeting shall record the fact that a
7 disclosure was made. A director's failure to disclose a
8 conflict of interest shall constitute a breach of the director's
9 duty of loyalty and the director may be automatically removed
10 from the board, liable to the association for monetary damages,
11 and disqualified from future service on the board."

12 SECTION 2. New statutory material is underscored.

13 SECTION 3. This Act shall take effect upon its approval.

14

INTRODUCED BY:



JAN 25 2022



H.B. NO. 2281

Report Title:

Planned Community Associations; Conflicts of Interest; Damages

Description:

Specifies that a director's failure to disclose a conflict of interest shall constitute a breach of the director's duty of loyalty and the director may be automatically removed from the board, liable to the association for monetary damages, and disqualified from future service on the board.

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