JOSH GREEN, M.D. GOVERNOR KE KIA'ĀINA

May 30, 2024

EXECUTIVE CHAMBERS KE KE'ENA O KE KIA'ĀINA

The Honorable Ronald D. Kouchi President of the Senate, and Members of the Senate Thirty-Second State Legislature State Capitol, Room 409 Honolulu, Hawai'i 96813 The Honorable Scott K. Saiki Speaker, and Members of the House of Representatives Thirty-Second State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on May 30, 2024, the following bill was signed into law:

SB2726 SD2 HD1 CD1

RELATING TO CONDOMINIUMS. **ACT 043**

Sincerely,

Josh Green, M.D.

Governor, State of Hawai'i

THE SENATE THIRTY-SECOND LEGISLATURE, 2024 STATE OF HAWAII ACT 043 S.B. NO. S.D. 2 H.D. 1 C.D. 1

A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

1	SECTION 1. The legislature finds that Act 189, Session			
2	Laws of Hawaii 2023, established the condominium property regime			
3	task force, which met on September 11, 2023; October 27, 2023;			
4	November 30, 2023; and December 14, 2023, to develop			
5	recommendations as part of its interim report to the legislature			
6	before the start of the regular session of 2024. Task force			
7	members sought and received information from the department of			
8	commerce and consumer affairs and several members of the public			
9	submitted written testimony and presented oral comments during			
10	hybrid remote and in-person meetings held by the task force.			
11	Links to the task force meetings and written materials are			
12	posted on the department of commerce and consumer affairs'			
13	website and are linked to the legislature's website.			
14	The purpose of this Act is to:			
15	(1) Implement the request by the condominium property			
16	regime task force to require the legislative reference			
17	bureau to conduct a study on certain condominium			
18	subjects; and			

Ţ	(2)	Extend the deadline for the final report and the cease
2		date for the condominium property regime task force to
3		June 30, 2026.
4	SECT	ION 2. (a) The legislative reference bureau shall
5	study and	submit a report on the approaches employed by certain
6	other stat	tes regarding the following condominium subjects:
7 ·	(1)	A condominium ombudsman or similar position to
8		specifically oversee condominiums;
9	(2)	Required licenses for individuals involved in the
10		management of condominiums;
11	(3)	The availability of dedicated alternative dispute
12		resolution or similar programs that are specifically
13		for the prevention or resolution of condominium-
14		related disputes and are separate from alternative
15		dispute resolution programs available for other
16		disputes;
17	(4)	Governmental regulation and enforcement of condominium
18		operations and governance that are separate from an
19		ombudsman referenced in paragraph (1);
20	(5)	Requirements for owner education at the point of sale

of a unit; and

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1 (6) Requirements for owner access to condominium 2 documents. 3 To the extent feasible, each subject shall include: (b) (1)Descriptive information detailing the approach of each 5 jurisdiction; 6 (2) Identified strengths and weaknesses of each particular 7 approach; and 8 Identified best practices in the jurisdiction. (3) 9 (c) The jurisdictions to be studied shall be: 10 (1)California; 11 (2) Delaware; 12 (3) Florida; 13 (4)Massachusetts; 14 (5) Nevada; and 15 (6) Any other jurisdiction deemed relevant by the 16 legislative reference bureau. 17 (d) The legislative reference bureau shall submit the 18 report to the legislature and the condominium property regime 19 task force no later than twenty days prior to the convening of

the regular session of 2026.

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S.B. NO. S.D. 2

- 1 SECTION 3. Act 189, Session Laws of Hawaii 2023,
- 2 section 3, is amended by amending subsections (e) and (f) to
- 3 read as follows:
- 4 "(e) The task force shall submit a final report of its
- 5 findings and recommendations, including any proposed
- 6 legislation, to the legislature no later than [twenty days prior
- 7 to the convening of the regular session of 2025. June 30, 2026.
- 8 (f) The task force shall cease to exist on June 30,
- **9** [2025.] 2026."
- 10 SECTION 4. There is appropriated out of the general
- 11 revenues of the State of Hawaii the sum of \$200,000 or so much
- 12 thereof as may be necessary for fiscal year 2024-2025 for the
- 13 legislative reference bureau to conduct a study of condominium
- 14 subjects in other states as specified in section 2 of this Act.
- 15 The sum appropriated shall be expended by the legislative
- 16 reference bureau for the purposes of this Act.
- 17 SECTION 5. There is appropriated out of the condominium
- 18 education trust fund established pursuant to section 514B-71,
- 19 Hawaii Revised Statutes, the sum of \$150,000 or so much thereof
- 20 as may be necessary for fiscal year 2024-2025 for the
- 21 legislative reference bureau to conduct a study of condominium

1 subjects in other states as specified in section 2 of this	Act;
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- 2 provided that the director of commerce and consumer affairs may
- 3 substitute the means of financing of some or all of this
- 4 appropriation from the condominium education trust fund to any
- 5 other source of funding available to the director of commerce
- 6 and consumer affairs that may be used to fund some or all of the
- 7 study required under this Act.
- **8** The sum appropriated shall be transferred by the real
- 9 estate commission to the legislative reference bureau to expend
- 10 on the study required under this Act; provided that:
- 11 (1) The legislative reference bureau shall not commence or
- execute any aspect of the study until the moneys.
- appropriated under this section have been transferred
- from the real estate commission to the legislative
- reference bureau; and
- 16 (2) Any moneys from this appropriation not encumbered or
- 17 expended by the legislative reference bureau for the
- 18 purposes of this Act that remain on balance on June
- 19 30, 2026, shall lapse to the credit of the condominium
- 20 education trust fund established pursuant to section
- 21 514B-71, Hawaii Revised Statutes.

- 1 SECTION 6. The legislative reference bureau may contract
- 2 the services of a consultant with the funds appropriated in this
- 3 Act. The contracting of services under this Act shall be exempt
- 4 from chapter 103D, Hawaii Revised Statutes.
- 5 SECTION 7. Statutory material to be repealed is bracketed
- 6 and stricken. New statutory material is underscored.
- 7 SECTION 8. This Act shall take effect on July 1, 2024.

S.B. NO. S.D. 2 H.D. 1 C.D. 1

APPROVED this

30th

day of

May

, 2024

GOVERNOR OF THE STATE OF HAWAI'I

THE SENATE OF THE STATE OF HAWAI'I

Date: May 1, 2024

Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-Second Legislature of the State of Hawai'i, Regular Session of 2024.

resident of the senate

Clerk of the Senate

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 1, 2024 Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Second Legislature of the State of Hawaii, Regular Session of 2024.

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Scott K. Saiki Speaker House of Representatives

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Brian L. Takeshita

Chief Clerk

House of Representatives