# A BILL FOR AN ACT

RELATING TO INFRASTRUCTURE MAINTENANCE IN HOUSING SUBDIVISIONS.

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

1 SECTION 1. The Hawaii Revised Statutes is amended by 2 adding a new chapter to be appropriately designated and to read 3 as follows: 4 "CHAPTER 5 HOUSING SUBDIVISIONS 6 -1 Definitions. For purposes of this chapter: 7 "County" means a county with a population greater than two hundred thousand, but not more than five hundred thousand. 8 9 "Housing subdivisions" or "subdivision" means land that has 10 been divided into two or more lots for the construction of 11 housing under the applicable county code, including the 12 designation of easements for the purpose of sale, lease, rental, 13 or transfer of title and is not a planned community. 14 "Maintenance" shall include the costs to manage, maintain, 15 and repair roads and other infrastructure, and insurance costs 16 and fees for the management and collection of assessments.

- 1 "Planned community" shall have the same meaning as defined
- $\mathbf{2}$  in section 421J-2.
- 3 § -2 Road repair and maintenance. (a) A lot owner in a
- 4 subdivision that is not a planned community shall pay
- 5 assessments, as provided by this chapter, necessary for the
- 6 repair and maintenance of the subdivision roads. The
- 7 assessments shall be determined by an association, corporation,
- 8 or court-appointed entity to assess and collect fees for the
- 9 repair and maintenance of the subdivision roads.
- 10 (b) If no court-appointed or deed-designated entity is
- 11 authorized to assess and collect fees for the repair and
- 12 maintenance of the subdivision roads, the county where the
- 13 subdivision is located shall assess and collect fees from the
- 14 lot owners and expend those funds to repair and maintain the
- 15 subdivision roads.
- 16 (c) Each county responsible for the assessment and
- 17 collection of fees for the repair and maintenance of subdivision
- 18 roads may designate each applicable subdivision as a special
- 19 improvement district pursuant to section 46-80.5 or a community
- 20 facilities district pursuant to section 46-80.1.

1	(d)	This chapter shall be subject to the county's
2	authority	or power under section 46-80.5 or 46-80.1.
3	\$	-3 County duties regarding housing subdivisions; road
4	maintenan	ce and repair. (a) Each county shall provide:
5	(1)	Training to volunteer association boards on their
6		responsibilities, including conducting effective
7		meetings pursuant to established rules of order;
8	(2)	Auditing services on the assessments and use of funds
9		for the repair and maintenance of subdivision roads;
10		and
11	(3)	Arbitration and mediation services to resolve disputes
12		between a lot owner and the entity responsible for the
13		assessment and collection of fees for the repair and
14		maintenance of subdivision roads.
15	(b)	A county may assess the assisted individuals or
16	entities	a reasonable fee for services provided pursuant to
17	subsection (a)."	
18	SECT	ION 2. Act 200, Session Laws of Hawaii 2022,
19	section 2, is amended as follows:	

**20** 

1. By amending subsection (d) to read:

- 1 "(d) The working group shall submit a report of its
- 2 findings and recommendations, including any proposed
- 3 legislation, to the legislature no later than twenty days prior
- 4 to the convening of the regular session of [2024.] 2025."
- 5 2. By amending subsection (f) to read:
- (f) The working group shall be dissolved on June 30,
- **7** [<del>2024.</del>] 2025."
- 8 SECTION 3. In accordance with section 9 of article VII of
- 9 the Hawaii State Constitution and sections 37-91 and 37-93,
- 10 Hawaii Revised Statutes, the legislature has determined that the
- 11 appropriations contained in Act 164, Regular Session of 2023,
- 12 and this Act will cause the state general fund expenditure
- 13 ceiling for fiscal year 2024-2025 to be exceeded by
- 14 \$ or per cent. This current declaration takes
- 15 into account general fund appropriations authorized for fiscal
- 16 year 2024-2025 in Act 164, Regular Session of 2023, and this Act
- 17 only. The reasons for exceeding the general fund expenditure
- 18 ceiling are that:
- 19 (1) The appropriation made in this Act is necessary to
- 20 serve the public interest; and

## S.B. NO. S.D. 1 Proposed

- 1 (2) The appropriation made in this Act meets the needs
- addressed by this Act.
- 3 SECTION 4. There is appropriated out of the general
- 4 revenues of the State of Hawaii the sum of \$100,000 or so much
- 5 thereof as may be necessary for fiscal year 2024-2025 for the
- 6 purposes of the working group established by Act 200, Session
- 7 Laws of Hawaii 2022; provided that all moneys unexpended and
- 8 unencumbered by the working group at the close of its
- 9 dissolution date may be expended by the counties for the
- 10 purposes of section 1 of this Act.
- 11 The sum appropriated shall be expended by the county or
- 12 counties specified in section 2(a) of Act 200, Session Laws of
- 13 Hawaii 2022, for that Act.
- 14 SECTION 5. Statutory material to be repealed is bracketed
- 15 and stricken. New statutory material is underscored.
- 16 SECTION 6. This Act shall take effect on July 1, 2024;
- 17 provided that section 2 shall take effect on June 29, 2024.

### Report Title:

Housing Subdivisions; Infrastructure Repair and Maintenance; Working Group; Act 200, SLH 2022; Counties; Road Repair and Maintenance; Assessments; Expenditure Ceiling; Appropriation

#### Description:

Requires lot owners to pay for the repair and maintenance of subdivision roads where the applicable deed does not specify that requirement. Authorizes counties to assess and collect fees for repair and maintenance of subdivision roads if no court-appointed or deed-designated entity is appointed. Requires counties to provide training to associations on their responsibilities; services for certain subdivision assessments; and arbitration and mediation services to resolve disputes between a lot owner and the entity responsible for assessment. Restricts provisions to counties with a population greater than two hundred thousand, but not more than five hundred thousand. Extends the reporting date for the working group established pursuant to Act 200, SLH 2022, to examine and address housing subdivision infrastructure repair and maintenance for planned housing subdivisions that do not have compulsory homeowner associations in certain counties prior to the Regular Session of 2025. Extends the sunset date of the working group to 6/30/2025. Declares that the general fund expenditure is exceeded. Makes an appropriation. (Proposed SD1)

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