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# 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 one in four Hawaii  
2 residents are governed by condominium and community  
3 associations. Condominium associations in Hawaii have been  
4 infamous in recent years for scandalous stories of embezzlement  
5 and corruption. Often, rather than being a representative body  
6 of unit owners, many individuals find their condominium board  
7 inaccessible and unsympathetic. Further, incumbent board  
8 members may retain their leadership roles through proxy voting  
9 methods, ballot harvesting, and other coercive means, leaving  
10 few opportunities for challenger candidates. The implementation  
11 of term limits would stifle corruption and incentivize active  
12 unit owner involvement in association governance. Accordingly,  
13 the purpose of this Act is to impose term limits for condominium  
14 board members.

15           SECTION 2. Section 514B-107, Hawaii Revised Statutes, is  
16 amended to read as follows:



1           **"§514B-107 Board; limitations.** (a) Members of the board  
2 shall be unit owners or co-owners, vendees under an agreement of  
3 sale, a trustee of a trust which owns a unit, or an officer,  
4 partner, member, or other person authorized to act on behalf of  
5 any other legal entity which owns a unit. There shall not be  
6 more than one representative on the board from any one unit.

7           (b) No tenant, resident manager, or employee of a  
8 condominium shall serve on its board.

9           For the purposes of this subsection, "tenant" means any  
10 person who occupies a dwelling unit for dwelling purposes who is  
11 not also an owner of a dwelling unit in the same condominium.

12           (c) A board member shall not serve more than two  
13 consecutive terms. A member who has previously served two  
14 consecutive terms may hold the position again once a single term  
15 has passed since the member's departure.

16           [~~(e)~~] (d) An owner shall not act as an officer of an  
17 association and an employee of the managing agent retained by  
18 the association. Any owner who is a board member of an  
19 association and an employee of the managing agent retained by  
20 the association shall not participate in any discussion  
21 regarding a management contract at a board meeting and shall be



1 excluded from any executive session of the board where the  
2 management contract or the property manager will be discussed.

3 ~~[(d)]~~ (e) Directors shall not expend association funds for  
4 their travel, directors' fees, and per diem, unless owners are  
5 informed and a majority approve of these expenses; provided  
6 that, with the approval of the board, directors may be  
7 reimbursed for actual expenditures incurred on behalf of the  
8 association. The board meeting minutes shall reflect in detail  
9 the items and amounts of the reimbursements.

10 ~~[(e)]~~ (f) Associations at their own expense shall provide  
11 all board members with a current copy of the association's  
12 declaration, bylaws, house rules, and, annually, a copy of this  
13 chapter with amendments.

14 ~~[(f)]~~ (g) The directors may expend association funds,  
15 which shall not be deemed to be compensation to the directors,  
16 to educate and train themselves in subject areas directly  
17 related to their duties and responsibilities as directors;  
18 provided that the approved annual operating budget shall include  
19 these expenses as separate line items. These expenses may  
20 include registration fees, books, videos, tapes, other  
21 educational materials, and economy travel expenses. Except for



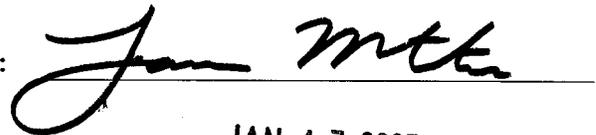
1 economy travel expenses within the State, all other travel  
2 expenses incurred under this subsection shall be subject to the  
3 requirements of subsection [~~(d)~~] (e)."

4 SECTION 3. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6 SECTION 4. This Act shall take effect on July 1, 2025.

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INTRODUCED BY:



JAN 17 2025



# H.B. NO. 571

**Report Title:**

Condominiums; Term Limits; Accountability

**Description:**

Limits condominium board members to serving no more than two consecutive terms. Allows such members to resume their positions after one term has passed since their departure.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

