
A BILL FOR AN ACT

RELATING TO COMMON INTEREST COMMUNITIES.

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

- 1 SECTION 1. The purpose of this Act is to:
- 2 (1) Provide for the administrative dissolution of any
- 3 planned community association or condominium
- 4 association in existence as of July 1, 2027;
- 5 (2) Provide to the department of commerce and consumer
- 6 affairs the powers and responsibilities currently
- 7 given to planned community associations and
- 8 condominium associations under chapters 421J and 514B,
- 9 Hawaii Revised Statutes, and each planned community's
- 10 or condominium's bylaws and other governing documents;
- 11 and
- 12 (3) Require the department of commerce and consumer
- 13 affairs to submit to the legislature a report and
- 14 proposed legislation addressing the department's
- 15 future governance of planned communities and
- 16 condominiums.
- 17 SECTION 2. As used in this Act:



1 "Condominium" has the same meaning as in section 514B-3,
2 Hawaii Revised Statutes.

3 "Condominium association" has the same meaning as
4 "association" under section 514B-3, Hawaii Revised Statutes.

5 "Department" means the department of commerce and consumer
6 affairs.

7 "Director" means the director of commerce and consumer
8 affairs.

9 "Planned community" has the same meaning as in section
10 421J-2, Hawaii Revised Statutes.

11 "Planned community association" has the same meaning as
12 "association" under section 421J-2, Hawaii Revised Statutes.

13 SECTION 3. (a) A planned community association under
14 chapter 421J, Hawaii Revised Statutes, or a condominium
15 association under chapter 514B, Hawaii Revised Statutes, that
16 exists as of July 1, 2027, shall be deemed to be
17 administratively dissolved by the director of commerce and
18 consumer affairs as of that date.

19 (b) No new planned community association or condominium
20 association shall be incorporated or otherwise formed after
21 June 30, 2027. Any articles of incorporation or other document



1 purporting to establish a new planned community association or
2 new condominium association after June 30, 2027, shall be void.

3 (c) Beginning January 1, 2027, the department shall
4 administer each planned community and condominium under the
5 bylaws, covenants, association documents, rules, or other
6 documents governing the use of common areas, architectural
7 controls, maintenance of units, restrictions on the use of
8 units, and payments of money as a regular assessment or
9 otherwise in connection with the provisions, maintenance, or
10 services for the benefit of some or all of the units, the
11 owners, or occupants of the units or the common areas, as well
12 as any amendments made to the foregoing documents. To perform
13 these functions, the department shall have all powers and
14 responsibilities provided to planned community associations and
15 condominium associations under chapters 421J and 514B, Hawaii
16 Revised Statutes, respectively, and under the bylaws and
17 covenants, association documents, rules, or other documents
18 governing the planned community or condominium.

19 (d) Beginning July 1, 2027, all rights, powers, and
20 functions of each existing planned community association or
21 condominium association shall be transferred to the department.



1 Any employee of a planned community or condominium association
2 may be transferred and may continue in the employee's position,
3 except as determined by the department; provided that the
4 employee shall not be subject to chapters 76 and 89, Hawaii
5 Revised Statutes, and the director of commerce and consumer
6 affairs may prescribe the duties and qualifications of these
7 employees and fix their salaries without regard to chapter 76,
8 Hawaii Revised Statutes. The powers provided to the department
9 under this subsection shall continue until the enactment of laws
10 that provide for the long-term administration of planned
11 communities and condominiums by the department.

12 (e) All records, equipment, machines, files, supplies,
13 contracts, books, papers, documents, maps, and other personal
14 property heretofore made, used, acquired, or held by an planned
15 community association or condominium association relating to the
16 planned community or condominium shall be transferred to the
17 department.

18 (f) A planned community association or condominium
19 association that is administratively dissolved pursuant to
20 subsection (a) shall continue its corporate existence but shall
21 not carry on any business except that necessary to wind up and



1 liquidate its affairs under part XIII of chapter 414D, Hawaii
2 Revised Statutes, or other applicable law.

3 SECTION 4. (a) No later than twenty days prior to the
4 convening of the regular session of 2026, the department shall
5 submit a report to the legislature that makes recommendations
6 for the department's governance of planned communities and
7 condominiums, including:

8 (1) A plan for the governance of existing planned
9 communities and condominiums;

10 (2) The department's estimated budget requirements to
11 administer planned communities and condominiums under
12 the paragraph (1);

13 (3) Recommendations to address any potential legal issues,
14 including claims under the takings clauses of the
15 United States Constitution and Hawaii state
16 constitution; and

17 (4) Any other findings and recommendations.

18 (b) The report shall include proposed legislation that:

19 (1) Creates a statutory framework for the department's
20 governance of existing planned communities and

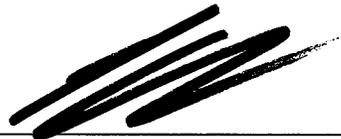


1 condominiums and the creation of new planned
2 communities and condominiums;
3 (2) Appropriates funds necessary to fund the department's
4 operations under paragraph (1); and
5 (3) Addresses potential legal issues, including claims
6 under the takings clauses of the United States
7 Constitution or Hawaii state constitution.

8 SECTION 5. If any provision of this Act, or the
9 application thereof to any person or circumstance, is held
10 invalid, the invalidity does not affect other provisions or
11 applications of the Act that can be given effect without the
12 invalid provision or application, and to this end the provisions
13 of this Act are severable.

14 SECTION 6. This Act shall take effect upon its approval.
15

INTRODUCED BY: _____



JAN 17 2025



H.B. NO. 630

Report Title:

DCCA; Condominiums; Planned Communities; Dissolution;
Governance; Report to Legislature

Description:

Provides for the administrative dissolution of any planned community association or condominium association in existence as of 7/1/2027. Provides the Department of Commerce and Consumer Affairs the powers currently provided to planned community associations and condominium associations under chapters 421J and 514B, HRS, and each planned community's or condominium's bylaws and other governing documents. Requires the Department of Commerce and Consumer Affairs to submit a report and proposed legislation to the Legislature with recommendations to administer planned communities and condominiums.

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

