
HOUSE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A FOLLOW-UP SUNRISE REVIEW TO
SUNRISE ANALYSIS: CONDOMINIUM ASSOCIATION MANAGERS, REPORT
NO. 05-10, WHICH ANALYZED THE REGULATION OF CONDOMINIUM
ASSOCIATION MANAGERS.

1 WHEREAS, the Condominium Property Act, Chapter 514B, Hawaii
2 Revised Statutes, authorizes a form of real estate ownership in
3 which individual owners hold title to a specific unit and have
4 an undivided interest as a tenant-in-common with other owners in
5 common elements, such as the exterior of the buildings, grounds,
6 amenities, internal roads, and infrastructure; and
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8 WHEREAS, the Condominium Property Act fully authorizes
9 condominiums to be self-governed by their respective association
10 of unit owners, which is headed by an elected board of
11 directors; and
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13 WHEREAS, in the State as of 2021, there were an estimated
14 1,826 condominium associations representing 173,036 units, which
15 serve as dwellings, either as a primary residence or otherwise,
16 to approximately 360,000 people; and
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18 WHEREAS, to assist in the management of the properties,
19 condominium associations typically contract with third-party
20 condominium managing agents to perform certain tasks for the
21 association, including overseeing repairs and projects, finances
22 and accounting, insurance and registration renewals, and other
23 tasks pertaining to the management of the property; and
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25 WHEREAS, condominium managing agents are required to be
26 licensed real estate brokers or authorized trust companies under
27 the Condominium Property Act, and they must maintain a fidelity
28 bond based on the number of units managed of no less than
29 \$20,000 and no more than \$500,000; and



1
2 WHEREAS, while many condominiums contract with condominium
3 association managers for the management of the property, there
4 is no requirement that the condominium association managers
5 possess knowledge of the laws and rules governing condominium
6 associations; and
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8 WHEREAS, S.B. No. 1454, Regular Session of 2003, proposed,
9 under the Condominium Property Act's predecessor statute, the
10 establishment of a regulatory framework requiring the
11 certification of condominium association managers by the Real
12 Estate Commission of the Department of Commerce and Consumer
13 Affairs; and
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15 WHEREAS, the Auditor analyzed S.B. No. 1454 in *Sunrise*
16 *Analysis: Condominium Association Managers*, Report No. 05-10,
17 and ultimately concluded that S.B. 1454 not be enacted, relying
18 on two bases:
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- 20 (1) The Auditor, after examining the records of the
21 Regulated Industries Complaints Office of the
22 Department of Commerce and Consumer Affairs, found
23 little evidence of complaints from condominium
24 residents against condominium management agents.
25 Rather, the Auditor found that a vast majority of
26 complaints relating to condominiums were from
27 residents against the board members; and
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- 29 (2) It was premature to consider any new proposed
30 regulation with the imminent recodification of the
31 condominium laws into the Condominium Property Act
32 taking effect on July 1, 2006; and
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34 WHEREAS, however, while issues may not be referred to the
35 Regulated Industries Complaints Office, issues continue to
36 persist with the quality of services rendered by some
37 condominium association managers; and
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39 WHEREAS, there have been reports of condominium association
40 managers stifling board members' ability to assist in the
41 management of the property and to address concerns of the
42 residents to whom the board members serve and reports of



1 condominium association managers disregarding requests by board
2 members; and

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4 WHEREAS, section 26H-6, Hawaii Revised Statutes, of the
5 Hawaii Regulatory Licensing Reform Act requires new measures,
6 subjecting unregulated professions and vocations to licensing or
7 other regulatory controls, to be referred to the Auditor for
8 analysis; now, therefore,

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10 BE IT RESOLVED by the House of Representatives of the
11 Thirty-third Legislature of the State of Hawaii, Regular Session
12 of 2025, the Senate concurring, that the Auditor is requested to
13 conduct a follow-up sunrise review to *Sunrise Analysis:
14 Condominium Association Managers*, Report No. 05-10, which
15 analyzed the regulation of condominium association managers as
16 proposed by S.B. No. 1454, Regular Session of 2005; and

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18 BE IT FURTHER RESOLVED that the Auditor is requested to
19 also examine alternative regulatory frameworks for the
20 regulation of condominium association managers, specifically
21 H.B. No. 298, Regular Session of 2023; S.B. No. 1197, Regular
22 Session of 2017; and S.B. No. 2334, Regular Session of 2010; and

23

24 BE IT FURTHER RESOLVED that the Auditor is further
25 requested to submit a report of its findings and
26 recommendations, including any proposed legislation, to the
27 Legislature no later than twenty days prior to the convening of
28 the Regular Session of 2026; and

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30 BE IT FURTHER RESOLVED that a certified copy of this
31 Concurrent Resolution be transmitted to the Auditor.

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OFFERED BY:



FEB 24 2025

