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# A BILL FOR AN ACT

RELATING TO CONDOMINIUM GOVERNANCE.

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

1 SECTION 1. The legislature finds that more than two  
2 hundred thousand Hawaii residents are condominium unit owners  
3 who directly bear the financial consequences of governance  
4 decisions, including special assessments, maintenance fee  
5 increases, deferred maintenance, and reserve underfunding.  
6 Despite this, condominium owners are not consistently included  
7 in advisory groups, task forces, or policy discussions convened  
8 by the real estate commission or the department of commerce and  
9 consumer affairs.

10 Accordingly, the purpose of this Act is to empower  
11 condominium unit owners as valued stakeholders in condominium  
12 governance by providing them with a meaningful voice in state-  
13 level policy development, education design, and advisory  
14 processes.

15 SECTION 2. Section 514B-71, Hawaii Revised Statutes, is  
16 amended to read as follows:



1       **"§514B-71 Condominium education trust fund.** (a) The  
2       commission shall establish a condominium education trust fund  
3       that the commission shall use for educational purposes.  
4       Educational purposes shall include financing or promoting:  
5               (1) Education and research in the field of condominium  
6               management, condominium project registration, and real  
7               estate, for the benefit of the public and those  
8               required to be registered under this chapter;  
9               (2) The improvement and more efficient administration of  
10              associations;  
11               (3) Expedited and inexpensive procedures for resolving  
12              association disputes;  
13               (4) Support for mediation of condominium related disputes;  
14               [and]  
15               (5) Support for voluntary binding arbitration between  
16              parties in condominium related disputes, pursuant to  
17              section 514B-162.5[.]; and  
18               (6) Education and resources for unit owners as primary  
19              stakeholders in condominium governance, including  
20              programs designed to improve owner understanding of



1                   association operations, reserve requirements,  
2                   financial obligations, and governance rights.

3                   (b) The commission shall use all moneys in the condominium  
4                   education trust fund for purposes consistent with subsection  
5                   (a). Any law to the contrary notwithstanding, the commission  
6                   may make a finding that a fee adjustment is appropriate and  
7                   adjust the fees paid by associations to regulate the fund  
8                   balance to an appropriate level to maintain a reasonable  
9                   relation between the fees generated and the cost of services  
10                   rendered by the condominium education trust fund. For the  
11                   purposes of finding that a fee adjustment is appropriate in  
12                   order to maintain a reasonable relation between the fees  
13                   generated and the cost of services rendered by the fund, the  
14                   commission's review shall include the following:

15                   (1) Frequency and timing of anticipated revenue to the  
16                   fund;

17                   (2) Identification of a reserve amount based on  
18                   unanticipated revenue reductions and historical  
19                   expenditures;

20                   (3) Anticipated expenses paid, including recovery payouts  
21                   during a biennial budget cycle;



7        (c) The commission shall adopt rules to ensure that unit  
8        owners are recognized and included as stakeholders in all  
9        educational programs, consultations, advisory committees, task  
10        forces, and policy development activities funded in whole or in  
11        part by the condominium education trust fund."

12 SECTION 3. Section 514B-72, Hawaii Revised Statutes, is  
13 amended to read as follows:

14        "§514B-72 Condominium education trust fund; payments by  
15    associations and developers. (a) Each project or association  
16    with more than five units shall pay to the department of  
17    commerce and consumer affairs:

18 (1) A condominium education trust fund fee within one year  
19 after the recordation of the purchase of the first  
20 unit or within thirty days of the association's first  
21 meeting, and thereafter, on or before June 30 of every





1 for each unit in the project, as prescribed by rules adopted by  
2 the director of commerce and consumer affairs pursuant to  
3 chapter 91. The project shall not be registered and no  
4 effective date for a developer's public report shall be issued  
5 until the payment has been made.

6 (c) Payments of any fees required under this section shall  
7 be due on or before the registration due date and shall be  
8 nonrefundable. Failure to pay the required fee by the due date  
9 shall result in a penalty assessment of ten per cent of the  
10 amount due and the association shall not have standing to bring  
11 any action to collect or to foreclose any lien for common  
12 expenses or other assessments in any court of this State until  
13 the amount due, including any penalty, is paid. Failure of an  
14 association to pay a fee required under this section shall not  
15 impair the validity of any claim of the association for common  
16 expenses or other assessments, or prevent the association from  
17 defending any action in any court of this State.

18 (d) The department of commerce and consumer affairs shall  
19 allocate the fees collected under this section to the  
20 condominium education trust fund established pursuant to section  
21 514B-71. The fees collected pursuant to this section shall be



1 administratively and fiscally managed together as one  
2 condominium education trust fund established by section 514B-71.

3       (e) The commission shall adopt written criteria defining  
4 the term "stakeholder" for the purposes of condominium  
5 governance. The criteria shall include unit owners as  
6 stakeholders whose interests shall be considered in commission  
7 programs and activities funded in whole or in part by the  
8 condominium education trust fund.

9       (f) The commission shall ensure that condominium unit  
10 owners are represented in any advisory committee, stakeholder  
11 group, or task force convened for the purposes of condominium  
12 law review, policy development, education program design,  
13 rulemaking, dispute resolution evaluation, or any project funded  
14 in whole or in part by the condominium education trust fund."

15       SECTION 4. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.

17       SECTION 5. This Act shall take effect upon its approval.



H.B. NO. 1806

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INTRODUCED BY:

  
JAN 22 2026



# H.B. NO. 1806

**Report Title:**

Condominiums; Unit Owners; Condominium Education Trust Fund; Stakeholders

**Description:**

Allows funds from the Condominium Education Trust Fund to be used for education and resources for condominium unit owners as primary stakeholders in condominium governance. Requires the Real Estate Commission to ensure that condominium unit owners are recognized and included as stakeholders in educational programs, consultations, advisory committees, task forces, and police development activities.

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

