
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 nearly forty per cent of
2 Hawaii's population lives in condominiums. The legislature
3 finds that while homeowner association self-governance can be
4 successful, there have been many cases of abuse of power and
5 other acts of malfeasance by certain association boards,
6 association management, managing agents, and association
7 attorneys. Local news outlets have published articles dating
8 nearly a decade ago, calling attention to the need to strengthen
9 regulations of associations and the need for a condominium
10 ombudsman. Instead, the only oversight offered is through the
11 Regulated Industries Complaints Office, which focuses on
12 ensuring boards abide by legal requirements to provide
13 homeowners with certain financial documents, and the Real Estate
14 Branch emphasizes public outreach and education. In addition,
15 the state Department of Commerce and Consumer Affairs has
16 publicly noted the lack of any power to enforce provisions of



1 Hawaii's condominium statute. Thus, time and time again these
2 cries fall on deaf ears as local residents continue to struggle.

3 Therefore, the purpose of this Act is to:

4 (1) Establish an ombudsman's office to receive and
5 investigate complaints by condominium unit owners
6 against associations that are subject to condominium
7 laws;

8 (2) Authorize the Real Estate Commission to investigate
9 complaints;

10 (3) Amend the documents required for association
11 registration; and

12 (4) Broadens the list of documents an association must
13 maintain and provide to unit owners.

14 PART I

15 SECTION 2. Chapter 96, Hawaii Revised Statutes, is amended
16 by adding a new section to be appropriately designated and to
17 read as follows:

18 "§96- Condominium ombudsman; real estate commission;
19 certain matters. (a) There is established a condominium
20 ombudsman to be administratively attached to the real estate
21 commission to receive and investigate complaints by condominium



1 unit owners against the real estate commission regarding the
2 real estate commission's duties under section 467-4(9).

3 (b) With respect to any investigation under subsection
4 (a), the condominium ombudsman's findings shall be issued no
5 later than thirty business days after the filing of the
6 complaint with the condominium ombudsman.

7 (c) This section shall not be construed to establish the
8 condominium ombudsman as an authority to which any party may
9 file an appeal in any matter relating to the real estate
10 commission."

11 SECTION 3. Section 467-4, Hawaii Revised Statutes, is
12 amended to read as follows:

13 **"§467-4 Powers and duties of commission.** In addition to
14 any other powers and duties authorized by law, the real estate
15 commission shall:

16 (1) Grant licenses, registrations, and certificates
17 pursuant to this chapter;
18 (2) Adopt, amend, or repeal rules as it may deem proper to
19 effectuate this chapter and carry out its purpose,
20 which is the protection of the general public in its
21 real estate transactions. All rules shall be approved



1 by the governor and director of commerce and consumer
2 affairs, and when adopted pursuant to chapter 91 shall
3 have the force and effect of law. The rules may
4 forbid acts or practices deemed by the commission to
5 be detrimental to the accomplishment of the purpose of
6 this chapter[~~, and the rules may~~]; require real estate
7 brokers and salespersons to complete educational
8 courses or to make reports to the commission
9 containing items of information [~~as~~] that will better
10 enable the commission to enforce this chapter and the
11 rules, or [~~as~~] that will better enable the commission
12 from time to time to amend the rules to more fully
13 effect the purpose of this chapter[~~to~~]; and[~~, further,~~]
14 the rules may require real estate brokers and
15 salespersons to furnish reports to their clients
16 containing matters of information [~~as~~] that the
17 commission deems necessary to promote the purpose of
18 this chapter. This enumeration of specific matters
19 that may properly be made the subject of rules shall
20 not be construed to limit the commission's broad



1 general power to make all rules necessary to fully
2 effectuate the purpose of this chapter;

3 (3) Enforce this chapter and rules adopted pursuant
4 thereto;

5 (4) Suspend, fine, terminate, or revoke any license,
6 registration, or certificate for any cause prescribed
7 by this chapter, or for any violation of the rules,
8 and may require additional education or reexamination,
9 and refuse to grant any license, registration, or
10 certificate for any cause that would be a ground for
11 suspension, fine, termination, or revocation of a
12 license, registration, or certificate;

13 (5) Report to the governor and legislature relevant
14 information that shall include but not be limited to a
15 summary of the programs and financial information
16 about the trust funds, including balances and budgets,
17 through the director of commerce and consumer affairs
18 annually, before the convening of each regular
19 session, and at other times and in other manners as
20 the governor or [the] legislature may require
21 concerning its activities;



1

PART II

2 SECTION 4. Section 514B-154, Hawaii Revised Statutes, is
3 amended by amending subsection (a) through (i) to read as
4 follows:

5 **"§514B-154 Association records; availability; disposal;**
6 **prohibitions.** (a) ~~[The association's most current financial~~
7 ~~statement shall be provided to any interested unit owner at no~~
8 ~~cost or on twenty-four-hour loan, at a convenient location~~
9 ~~designated by the board. The meeting minutes of the board of~~
10 ~~directors, once approved, for the current and prior year shall~~
11 ~~either:] Any unit owner of an association shall have the right~~
12 ~~to inspect, examine, and make copies of the records required to~~
13 ~~be maintained in section 514B-153, in person or by authorized~~
14 ~~agent, at any reasonable time, at the association's principal~~
15 ~~office or with the board or managing agent. To exercise this~~
16 ~~right, a unit owner shall submit a written request to the board~~
17 ~~or managing agent, stating the records sought to be inspected,~~
18 ~~examined, or copied. Failure of a board or managing agent to~~
19 ~~make available all records requested within ten business days of~~
20 ~~receipt of the unit owner's written request shall be deemed a~~
21 ~~denial. Any unit owner who prevails in an enforcement action to~~



1 compel inspection, examination, or copying the records required
2 to be maintained in section 514B-153 shall be entitled to
3 recover reasonable attorneys' fees and costs from the
4 association. These documents shall either:

5 (1) Be available for examination by apartment owners at no
6 cost or on twenty-four-hour loan at a convenient
7 location at the project, to be determined by the board
8 of directors; or

9 (2) Be transmitted to any apartment owner making a request
10 [~~for the minutes~~], by the board of directors, the
11 managing agent, or the association's representative [~~or~~
12 ~~within fifteen days of receipt of the request~~];
13 provided that the [~~minutes~~] documents shall be
14 transmitted by mail, electronic mail transmission, or
15 facsimile, by the means indicated by the owner, if the
16 owner indicated a preference at the time of the
17 request; and provided further that the owner shall pay
18 a reasonable fee for administrative costs associated
19 with handling the request.

20 Costs incurred by apartment owners pursuant to this subsection
21 shall be subject to section 514B-105(d).



8 (1) The board may require owners to furnish to the
9 association a [duly executed and acknowledged
10 affidavit] written certification stating that the
11 information is requested in good faith [for the
12 protection of the interests of the association, its
13 members, or both;] and will not be used by the unit
14 owner for any commercial purpose or any purpose that
15 does not relate to the association; and

16 (2) Owners shall pay for reasonable administrative costs
17 in excess of eight hours per year.

18 Copies of these items shall be provided to any owner upon
19 the owner's request; provided that the owner pays a reasonable
20 fee for duplication, postage, stationery, and other
21 administrative costs associated with handling the request.

1 (c) After any association meeting, and not earlier, unit
2 owners shall be permitted to examine proxies, tally sheets,
3 ballots, owners' check-in lists, and the certificate of
4 election; provided that:

5 (1) Owners shall make a request to examine the documents
6 within thirty days after the association meeting;

7 (2) The board may require owners to furnish to the

8 association a [duly executed and acknowledged
9 affidavit] written certification stating that the

10 information is requested in good faith for the
11 protection of the interest of the association or its
12 members or both; and

15 The documents may be destroyed ninety days after the
16 association meeting; provided that in the event of a contested
17 election, the documents shall be retained until the contested
18 election is resolved. Copies of tally sheets, owners' check-in
19 lists, and the certificates of election from the most recent
20 association meeting shall be provided to any owner upon the
21 owner's request; provided that the owner pays a reasonable fee



1 for duplicating, postage, stationery, and other administrative
2 costs associated with handling the request.

3 (d) The managing agent shall provide copies of association
4 records maintained pursuant to this section and sections 514B-
5 103, 514B-152, and 514B-153 to owners, prospective purchasers
6 and their prospective agents during normal business hours, upon
7 payment to the managing agent of a reasonable charge to defray
8 any administrative or duplicating costs. If the project is not
9 managed by a managing agent, the foregoing requirements shall be
10 undertaken by a person or entity, if any, employed by the
11 association, to whom this function is delegated.

12 (e) ~~[Prior to the organization of the association, any]~~
13 Any unit owner shall be entitled to inspect as well as receive a
14 copy of the management contract from the entity that manages the
15 operation of the property.

16 (f) Owners may file a written request with the board to
17 examine other documents. The board shall give written
18 authorization or written refusal with an explanation of the
19 refusal within ~~[thirty]~~ ten calendar days of receipt of the
20 request.



10 (i) No person shall knowingly make any false certificate,
11 entry, or memorandum upon any of the books or records of any
12 managing agent or association. No person shall knowingly alter,
13 destroy, mutilate, or conceal any books or records of a managing
14 agent or association. Any violation of this subsection shall
15 constitute forgery in the third degree under section 708-853."

16 SECTION 6. Section 514B-154.5, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "§514B-154.5 Association documents to be provided. (a)
19 Notwithstanding any other provision in the declaration, bylaws,
20 or house rules, if any, the following documents, records, and
21 information, whether maintained, kept, or required to be



1 provided pursuant to this section or section 514B-103, 514B-152,
2 514B-153, or 514B-154, shall be made available to any unit owner
3 and the owner's authorized agents by the managing agent,
4 resident manager, board through a board member, or the
5 association's representative:

6 (1) All financial and other records sufficiently detailed
7 in order to comply with requests for information and
8 disclosures related to the resale of units;

9 (2) ~~An accurate copy of the declaration, bylaws, house~~
10 ~~rules, if any, master lease, if any, a sample original~~
11 ~~conveyance document, and all public reports and any~~
12 ~~amendments thereto; All records required to be~~
13 maintained pursuant to section 514B-153(a);

14 (3) Detailed, accurate records in chronological order of
15 the receipts and expenditures affecting the common
16 elements, specifying and itemizing the maintenance and
17 repair expenses of the common elements and any other
18 expenses incurred and monthly statements indicating
19 the total current delinquent dollar amount of any
20 unpaid assessments for common expenses;



1 (4) All records and the vouchers authorizing the payments
2 and statements kept and maintained at the address of
3 the project, or elsewhere within the State as
4 determined by the board, subject to section 514B-152;

5 (5) All signed and executed agreements for managing the
6 operation of the property, expressing the agreement of
7 all parties, including but not limited to financial
8 and accounting obligations, services provided, and any
9 compensation arrangements, including any subsequent
10 amendments;

11 (6) An accurate and current list of members of the
12 condominium association and the members' current
13 addresses and the names and addresses of the vendees
14 under an agreement of sale, if any. A copy of the
15 list shall be available, at cost, to any unit owner or
16 owner's authorized agent who furnishes to the managing
17 agent, resident manager, or the board a ~~and acknowledged affidavit~~ written certification
18 stating that the list:
19 (A) Shall be used by the unit owner or owner's
20 authorized agent personally and only for the

purpose of soliciting votes or proxies or for providing information to other unit owners with respect to association matters; and

(B) Shall not be used by the unit owner or owner's authorized agent or furnished to anyone else for any other purpose;

(7) The association's most current financial statement, at no cost or on twenty-four-hour loan, at a convenient location designated by the board;

[8] ~~Meeting minutes of the association, pursuant to section 514B-122:~~

(9) ~~Meeting minutes of the board, pursuant to section 514B-126, which shall be:~~

(A) ~~Available for examination by unit owners or owners' authorized agents at no cost or on twenty-four hour loan at a convenient location at the project to be determined by the board; or~~

(B) ~~Transmitted to any unit owner or owner's authorized agent making a request for the minutes within fifteen days of receipt of the request by~~

the owner or owner's authorized agent, provided

2 ~~that~~:

3 (i) The minutes shall be transmitted by mail,
4 electronic mail transmission, or facsimile,
5 by the means indicated by the owner or
6 owner's authorized agent, if the owner or
7 owner's authorized agent indicated a
8 preference at the time of the request; and
9 (ii) The owner or owner's authorized agent shall
10 pay a reasonable fee for administrative
11 costs associated with handling the request,
12 subject to section 514B-105(d);

13 (10)] (8) Financial statements, general ledgers, the
14 accounts receivable ledger, accounts payable ledgers,
15 check ledgers, insurance policies, contracts, and
16 invoices of the association for the duration those
17 records are kept by the association, and any documents
18 regarding delinquencies of ninety days or more shall
19 be available for examination by unit owners or owners'
20 authorized agents at convenient hours at a place
21 designated by the board; provided that:



1 (A) The board may require unit owners or owners'
2 authorized agents to furnish to the association a
3 [duly executed and acknowledged affidavit]
4 written certification stating that the
5 information is requested in good faith for the
6 protection of the interests of the association,
7 its members, or both; and
8 (B) Unit owners or owners' authorized agents shall
9 pay for administrative costs in excess of eight
10 hours per year;

11 [+] (9) Proxies, tally sheets, ballots, unit owners'
12 check-in lists, and the certificate of election
13 subject to section 514B-154(c);

14 [+] (10) Copies of an association's documents, records,
15 and information, whether maintained, kept, or required
16 to be provided pursuant to this section or section
17 514B-152, 514B-153, or 514B-154;

18 [+] (11) A copy of the management contract from the
19 entity that manages the operation of the property
20 before the organization of an association;





1 manager's financial accounts, or any other information
2 that may be withheld under state or federal law.

3 (b) Subject to section 514B-105(d), copies of the items in
4 subsection (a) shall be provided to any unit owner or owner's
5 authorized agent upon the owner's or owner's authorized agent's
6 request; provided that the owner or owner's authorized agent
7 pays a reasonable fee for duplication, postage, stationery, and
8 other administrative costs associated with handling the request.

9 (c) Notwithstanding any provision in the declaration,
10 bylaws, or house rules providing for another period of time, all
11 documents, records, and information listed under subsection (a),
12 whether maintained, kept, or required to be provided pursuant to
13 this section or section 514B-152, 514B-153, or 514B-154, shall
14 be provided no later than ~~thirty~~ ten calendar days after
15 receipt of a unit owner's or owner's authorized agent's written
16 request, unless a lesser time is provided pursuant to this
17 section or section 514B-152, 514B-153, or 514B-154, and except
18 as provided in subsection (a)(14).

19 (d) Any documents, records, and information, whether
20 maintained, kept, or required to be provided pursuant to this
21 section or section 514B-152, 514B-153, or 514B-154, may be made



1 available electronically to the unit owner or owner's authorized
2 agent if the owner or owner's authorized agent requests such in
3 writing.

4 (e) An association may comply with this section or section
5 514B-152, 514B-153, or 514B-154 by making the required
6 documents, records, and information available to unit owners or
7 owners' authorized agents for download through an internet site,
8 at the option of each unit owner or owner's authorized agent and
9 at no cost to the unit owner or owner's authorized agent.

10 (f) Any fee charged to a unit owner or owner's authorized
11 agent to obtain copies of the association's documents, records,
12 and information, whether maintained, kept, or required to be
13 provided pursuant to this section or section 514B-152, 514B-153,
14 or 514B-154, shall be reasonable; provided that a reasonable fee
15 shall include administrative and duplicating costs and shall not
16 exceed \$1 per page, or portion thereof, except that the fee for
17 pages exceeding eight and one-half inches by fourteen inches may
18 exceed \$1 per page.

19 (g) This section shall apply to all condominiums organized
20 under this chapter or any predecessor thereto.



1 (h) If the board fails to provide records properly
2 requested under this section, the owner may seek appropriate
3 relief and shall be entitled to an award of reasonable
4 attorneys' fees and costs if the unit owner prevails.

5 [§ 87(2)(b)] (i) Nothing in this section shall be construed to
6 create any new requirements for the release of documents,
7 records, or information."

PART III

9 SECTION 7. This Act does not affect rights and duties that
10 matured, penalties that were incurred, and proceedings that were
11 begun before its effective date.

12 SECTION 8. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 9. This Act shall take effect upon its approval.

15

INTRODUCED BY:

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JAN 23 2026



H.B. NO. 2041

Report Title:

Condominium Regulation; Ombudsman; Documents, Records; Transparency

Description:

Part I: Establishes an Ombudsman's Office and gives the Real Estate Commission the authority to investigate complaints. Part II: Broadens the list of documents an association must maintain and provide to unit owners.

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

