
A BILL FOR AN ACT

RELATING TO CONDOMINIUM ASSOCIATIONS.

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

1 SECTION 1. Section 514B-71, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) The commission shall establish a condominium
4 education trust fund that the commission shall use for
5 educational purposes. Educational purposes shall include
6 financing or promoting:

7 (1) Education and research in the field of condominium
8 management, condominium project registration, and real
9 estate, for the benefit of the public, board members,
10 and those required to be registered under this
11 chapter;

12 (2) The improvement and more efficient administration of
13 associations;

14 (3) Expeditious and inexpensive procedures for resolving
15 association disputes;

16 (4) Support for mediation of condominium related disputes;
17 and



1 (5) Support for voluntary binding arbitration between
2 parties in condominium related disputes, pursuant to
3 section 514B-162.5."

4 SECTION 2. Section 514B-106, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "**§514B-106 Board; powers and duties.** (a) Except as
7 provided in the declaration, the bylaws, subsection (b), or
8 other provisions of this chapter, the board may act in all
9 instances on behalf of the association. In the performance of
10 their duties, officers and members of the board shall owe the
11 association a fiduciary duty and exercise the degree of care and
12 loyalty required of an officer or director of a corporation
13 organized under chapter 414D. Any violation by a board or its
14 officers or members of the mandatory provisions of section 514B-
15 161 or 514B-162 may constitute a violation of the fiduciary duty
16 owed pursuant to this subsection; provided that a board member
17 may avoid liability under this subsection by indicating in
18 writing the board member's disagreement with [~~such board~~] the
19 board's action or rescinding or withdrawing the violating
20 conduct within forty-five days of the occurrence of the initial
21 violation.



1 (b) The board [~~may~~] shall not act on behalf of the
2 association to amend the declaration or bylaws (sections 514B-
3 32(a)(11) and 514B-108(b)(7)) [~~or~~]; remove the condominium from
4 the provisions of this chapter (section 514B-47) [~~or~~]; or [~~to~~]
5 elect members of the board or determine the qualifications,
6 powers and duties, or terms of office of board members
7 (subsection (e)); provided that nothing in this subsection shall
8 be construed to prohibit board members from voting proxies
9 (section 514B-123) to elect members of the board; provided
10 further that notwithstanding anything to the contrary in the
11 declaration or bylaws, the board may only fill vacancies in its
12 membership to serve until the next annual or duly noticed
13 special association meeting. Notice of a special association
14 meeting to fill vacancies shall include notice of the election.
15 Any special association meeting to fill vacancies shall be held
16 on a date that allows sufficient time for owners to declare
17 their intention to run for election and to solicit proxies for
18 that purpose.

19 (c) Within thirty days after the adoption of any proposed
20 budget for the condominium, the board shall make available a



1 copy of the budget to all the unit owners and shall notify each
2 unit owner that the unit owner may request a copy of the budget.

3 (d) The declaration may provide for a period of developer
4 control of the association, during which a developer, or persons
5 designated by the developer, may appoint and remove the officers
6 and members of the board. Regardless of the period provided in
7 the declaration, a period of developer control terminates no
8 later than the earlier of:

9 (1) Sixty days after conveyance of seventy-five per cent
10 of the common interest appurtenant to units that may
11 be created to unit owners other than a developer or
12 affiliate of the developer;

13 (2) Two years after the developer has ceased to offer
14 units for sale in the ordinary course of business;

15 (3) Two years after any right to add new units was last
16 exercised; or

17 (4) The day the developer, after giving written notice to
18 unit owners, records an instrument voluntarily
19 surrendering all rights to control activities of the
20 association.



1 A developer may voluntarily surrender the right to appoint and
2 remove officers and members of the board before termination of
3 that period, but in that event the developer may require, for
4 the duration of the period of developer control, that specified
5 actions of the association or board, as described in a recorded
6 instrument executed by the developer, be approved by the
7 developer before they become effective.

8 (e) [~~Not~~] No later than the termination of any period of
9 developer control, the unit owners shall elect a board of at
10 least three members; provided that projects created after
11 May 18, 1984, with one hundred or more individual units, shall
12 have an elected board of at least nine members unless the
13 membership has amended the bylaws to reduce the number of
14 directors; [~~and~~] provided further that projects with more than
15 one hundred individual units where at least seventy per cent of
16 the unit owners do not reside at the project may amend the
17 bylaws to reduce the board to as few as five members by the
18 written consent of a majority of the unit owners or the vote of
19 a majority of a quorum at any annual meeting or special meeting
20 called for that purpose. The association may rely on its
21 membership records in determining whether a unit is owner-



1 occupied. A decrease in the number of directors shall not
2 deprive an incumbent director of any remaining term of office.

3 (f) At any regular or special meeting of the association,
4 any member of the board may be removed and successors shall be
5 elected for the remainder of the term to fill the vacancies thus
6 created. The removal and replacement shall be by a vote of a
7 majority of the unit owners and, otherwise, in accordance with
8 all applicable requirements and procedures in the bylaws for the
9 removal and replacement of directors and, if removal and
10 replacement is to occur at a special meeting, section 514B-
11 121(c).

12 (g) A board member of an association shall obtain, within
13 one year of election to the board, a board training and
14 education course completion certificate from a course approved
15 by an accredited third-party organization that is selected by
16 the commission and paid for by funds in the condominium
17 education trust fund."

18 SECTION 3. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 4. This Act shall take effect on July 1, 2026.
21



H.B. NO. 2239

INTRODUCED BY: *Debra A. Schmitt*

JAN 26 2026



H.B. NO. 2239

Report Title:

Condominium Associations; Board of Directors; Training and Education; Condominium Education Trust Fund

Description:

Requires board members of a condominium association to complete a board training and education course approved by an accredited third party organization, to be selected by the Real Estate Commission and paid for through funds in the Condominium Education Trust Fund.

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