

JAN 28 2026

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# A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

1 PART I

2 SECTION 1. The legislature finds that condominium  
3 associations manage millions of dollars in common property and  
4 reserves and make decisions that directly affect the safety,  
5 financial stability, and quality of life of Hawai'i residents.

6 The legislature further finds condominium association  
7 directors, officers, and managers exercise significant fiduciary  
8 authority over association finances, contracts, and common  
9 property. However, existing condominium law does not require  
10 standardized education or training in fiduciary duties,  
11 financial oversight, conflicts of interest, or compliance with  
12 state law, nor does it require specialized knowledge and  
13 experience with condominium law. This lack of education has  
14 contributed to preventable governance errors, deferred  
15 maintenance, owner disputes, and costly litigation, undermining  
16 trust and increasing financial risk.



1       The legislature also finds that other states have  
2       successfully implemented programs to bolster the education and  
3       preparedness of directors, officers, and managers in managing  
4       the operations of a condominium association. Several states  
5       have successfully implemented statutory or trust-funded director  
6       education programs -- including Colorado, Florida, Maryland,  
7       Nevada, and Virginia -- resulting in more informed boards, better  
8       financial oversight, and reduced disputes. Additionally, several  
9       other states -- including Alaska, Connecticut, Florida, Georgia,  
10      Illinois, Nevada, and Virginia -- established regulatory  
11      frameworks for the licensure of association managers that  
12      requires a third-party certification or minimum level of  
13      management and condominium education.

14      The purpose of this Act is to bolster condominium  
15      governance in the State by:

- 16      (1)   Requiring mandatory education for condominium  
17             directors and officers to promote informed,  
18             accountable, and responsible governance; and  
19      (2)   Establishing a regulatory framework for the licensure  
20             of association managers.

21                                   PART II



1       SECTION 2. 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 and those  
10 required to be registered under this chapter;
- 11       (2) The improvement and more efficient administration of  
12 associations;
- 13       (3) Expeditious and inexpensive procedures for resolving  
14 association disputes;
- 15       (4) Support for mediation of condominium related disputes;  
16 [and]
- 17       (5) Support for voluntary binding arbitration between  
18 parties in condominium related disputes, pursuant to  
19 section 514B-162.5[-]; and
- 20       (6) The commission-developed or commission-approved  
21 training curriculum for association directors and



1           officers to fulfill the educational requirements under  
2           section 514B-107."

3           SECTION 3. Section 514B-107, Hawaii Revised Statutes, is  
4 amended to read as follows:

5           "**§514B-107 Board; limitations.** (a) Members of the board  
6 shall be unit owners or co-owners, vendees under an agreement of  
7 sale, a trustee of a trust which owns a unit, or an officer,  
8 partner, member, or other person authorized to act on behalf of  
9 any other legal entity which owns a unit. There shall not be  
10 more than one representative on the board from any one unit.

11           (b) No tenant, resident manager, or employee of a  
12 condominium shall serve on its board.

13           For the purposes of this subsection, "tenant" means any  
14 person who occupies a dwelling unit for dwelling purposes who is  
15 not also an owner of a dwelling unit in the same condominium.

16           (c) An owner shall not act as an officer of an association  
17 and an employee of the managing agent retained by the  
18 association. Any owner who is a board member of an association  
19 and an employee of the managing agent retained by the  
20 association shall not participate in any discussion regarding a  
21 management contract at a board meeting and shall be excluded



1 from any executive session of the board where the management  
2 contract or the property manager will be discussed.

3 (d) Directors shall not expend association funds for their  
4 travel, directors' fees, and per diem, unless owners are  
5 informed and a majority approve of these expenses; provided  
6 that, with the approval of the board, directors may be  
7 reimbursed for actual expenditures incurred on behalf of the  
8 association. The board meeting minutes shall reflect in detail  
9 the items and amounts of the reimbursements.

10 (e) Associations at their own expense shall provide all  
11 board members with a current copy of the association's  
12 declaration, bylaws, house rules, and, annually, a copy of this  
13 chapter with amendments.

14 (f) The directors may expend association funds, which  
15 shall not be deemed to be compensation to the directors, to  
16 educate and train themselves in subject areas directly related  
17 to their duties and responsibilities as directors; provided that  
18 the approved annual operating budget shall include these  
19 expenses as separate line items. These expenses may include  
20 registration fees, books, videos, tapes, other educational  
21 materials, and economy travel expenses. Except for economy



1 travel expenses within the State, all other travel expenses  
2 incurred under this subsection shall be subject to the  
3 requirements of subsection (d).

4 (g) Each director and officer of an association shall  
5 submit a certification that the director or officer has:

6 (1) Received and reviewed a copy of the association's  
7 articles of incorporation, bylaws, and rules and  
8 regulations;

9 (2) Completed a commission-developed or commission-  
10 approved training curriculum that, at minimum, shall  
11 include education on the requirements under this  
12 chapter concerning association governance, including  
13 conducting meetings and fiscal matters; and

14 (3) Any other educational requirement as determined by the  
15 commission by rules adopted pursuant to chapter 91.

16 The certification shall be submitted to the board no later than  
17 ninety days after election or appointment.

18 A director's or officer's failure to comply with the  
19 requirements under this subsection shall disqualify the director  
20 or officer from serving in that role."



1       SECTION 4. Section 514B-154.5, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3       "(a) Notwithstanding any other provision in the  
4 declaration, bylaws, or house rules, if any, the following  
5 documents, records, and information, whether maintained, kept,  
6 or required to be provided pursuant to this section or section  
7 514B-152, 514B-153, or 514B-154, shall be made available to any  
8 unit owner and the owner's authorized agents by the managing  
9 agent, resident manager, board through a board member, or the  
10 association's representative:

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

14       (2) An accurate copy of the declaration, bylaws, house  
15       rules, if any, master lease, if any, a sample original  
16       conveyance document, and all public reports and any  
17       amendments thereto;

18       (3) Detailed, accurate records in chronological order of  
19       the receipts and expenditures affecting the common  
20       elements, specifying and itemizing the maintenance and  
21       repair expenses of the common elements and any other



1 expenses incurred and monthly statements indicating  
2 the total current delinquent dollar amount of any  
3 unpaid assessments for common expenses;

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

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

14 (6) An accurate and current list of members of the  
15 condominium association and the members' current  
16 addresses and the names and addresses of the vendees  
17 under an agreement of sale, if any. A copy of the  
18 list shall be available, at cost, to any unit owner or  
19 owner's authorized agent who furnishes to the managing  
20 agent, resident manager, or the board a duly executed  
21 and acknowledged affidavit stating that the list:





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- 1 (A) Shall be used by the unit owner or owner's  
2 authorized agent personally and only for the  
3 purpose of soliciting votes or proxies or for  
4 providing information to other unit owners with  
5 respect to association matters; and
- 6 (B) Shall not be used by the unit owner or owner's  
7 authorized agent or furnished to anyone else for  
8 any other purpose;
- 9 (7) The association's most current financial statement, at  
10 no cost or on twenty-four-hour loan, at a convenient  
11 location designated by the board;
- 12 (8) Meeting minutes of the association, pursuant to  
13 section 514B-122;
- 14 (9) Meeting minutes of the board, pursuant to section  
15 514B-126, which shall be:
- 16 (A) Available for examination by unit owners or  
17 owners' authorized agents at no cost or on  
18 twenty-four-hour loan at a convenient location at  
19 the project, to be determined by the board; or
- 20 (B) Transmitted to any unit owner or owner's  
21 authorized agent making a request for the minutes



1           within fifteen days of receipt of the request by  
2           the owner or owner's authorized agent; provided  
3           that:

4           (i)   The minutes shall be transmitted by mail,  
5                   electronic mail transmission, or facsimile,  
6                   by the means indicated by the owner or  
7                   owner's authorized agent, if the owner or  
8                   owner's authorized agent indicated a  
9                   preference at the time of the request; and

10          (ii)   The owner or owner's authorized agent shall  
11                   pay a reasonable fee for administrative  
12                   costs associated with handling the request,  
13                   subject to section 514B-105(d);

14          (10)   Financial statements, general ledgers, the accounts  
15                   receivable ledger, accounts payable ledgers, check  
16                   ledgers, insurance policies, contracts, and invoices  
17                   of the association for the duration those records are  
18                   kept by the association, and any documents regarding  
19                   delinquencies of ninety days or more shall be  
20                   available for examination by unit owners or owners'



1 authorized agents at convenient hours at a place

2 designated by the board; provided that:

3 (A) The board may require unit owners or owners'

4 authorized agents to furnish to the association a

5 duly executed and acknowledged affidavit stating

6 that the information is requested in good faith

7 for the protection of the interests of the

8 association, its members, or both; and

9 (B) Unit owners or owners' authorized agents shall

10 pay for administrative costs in excess of eight

11 hours per year;

12 (11) Proxies, tally sheets, ballots, unit owners' check-in

13 lists, and the certificate of election subject to

14 section 514B-154(c);

15 (12) Copies of an association's documents, records, and

16 information, whether maintained, kept, or required to

17 be provided pursuant to this section or section

18 514B-152, 514B-153, or 514B-154;

19 (13) A copy of the management contract from the entity that

20 manages the operation of the property before the

21 organization of an association;



- 1       (14) Other documents requested by a unit owner or owner's  
2           authorized agent in writing; provided that the board  
3           shall give written authorization or written refusal  
4           with an explanation of the refusal within thirty  
5           calendar days of receipt of a request for documents  
6           pursuant to this paragraph; ~~and~~
- 7       (15) A copy of any contract, written job description, and  
8           compensation between the association and any person or  
9           entity retained by the association to manage the  
10          operation of the property on-site, including but not  
11          limited to the general manager, operations manager,  
12          resident manager, or site manager; provided that  
13          personal information may be redacted from the contract  
14          copy, including but not limited to the manager's date  
15          of birth, age, signature, social security number,  
16          residence address, telephone number, non-business  
17          electronic mail address, driver's license number,  
18          Hawaii identification card number, bank account  
19          number, credit or debit card number, access code or  
20          password that would permit access to the manager's



1 financial accounts, or any other information that may  
2 be withheld under state or federal law[~~-~~]; and  
3 (16) A director's or officer's certification submitted to  
4 the board pursuant to section 514B-107(g)."

5 SECTION 5. Each person serving as a director or officer of  
6 a condominium association who is actively serving on June 30,  
7 2026, shall certify in writing to the board that the person has  
8 duly completed the requirements of section 514B-107(g), Hawaii  
9 Revised Statutes, as amended by section 2 of this Act, no later  
10 than October 1, 2026.

11 PART III

12 SECTION 6. Chapter 514B, Hawaii Revised Statutes, is  
13 amended by adding a new part to be appropriately designated and  
14 to read as follows:

15 "PART . COMMUNITY ASSOCIATION MANAGERS

16 §514B- Definitions. As used in this part, unless the  
17 context otherwise requires:

18 "Association management" means the performance for  
19 compensation of services relating to the operation,  
20 administration, or governance of a community association,  
21 including but not limited to:



- 1 (1) Financial and budgetary administration;
- 2 (2) Reserve study coordination and long-term maintenance
- 3 planning;
- 4 (3) Procurement and contract administration;
- 5 (4) Maintenance and repair coordination;
- 6 (5) Recordkeeping and statutory compliance assistance; and
- 7 (6) Advising boards on governance procedures and legal
- 8 obligations.

9 "Association management firm" means a sole proprietorship,  
10 partnership, corporation, or other business entity that provides  
11 association management services through one or more licensed  
12 association managers.

13 "Association manager" means an individual licensed pursuant  
14 to this part to provide association management services.

15 **§514B- License required.** (a) No person shall engage  
16 in association management for compensation or act as a managing  
17 agent or resident manager unless the person is licensed as an  
18 association manager under this part.

19 (b) No association management firm shall operate in this  
20 State unless the association management firm designates at least



1 one association manager responsible for compliance with this  
2 chapter.

3 (c) A license issued under this part shall be specific to  
4 association management and shall not constitute, require, or  
5 replace a real estate broker license under chapter 467.

6 **§514B- Exemption.** This part shall not apply to:

7 (1) Board members who are volunteers acting without  
8 compensation;

9 (2) Employees of an association acting under the direct  
10 supervision of an association manager; or

11 (3) Attorneys, certified public accountants, or engineers  
12 licensed under the laws of the State and acting within  
13 the scope of their professional licensure.

14 **§514B- Rules.** The commission shall adopt rules  
15 pursuant to chapter 91 necessary to implement this part,  
16 including rules governing:

17 (1) License applications and renewals;

18 (2) Fees;

19 (3) Examinations;

20 (4) Education requirements; and

21 (5) Disciplinary proceedings.



1       **§514B-       Qualifications for licensure.** An applicant for  
2 licensure as an association manager shall:

- 3       (1) Be at least eighteen years of age;
- 4       (2) Possess a high school diploma or equivalent;
- 5       (3) Complete a commission-approved pre-licensing education  
6 program in:
- 7           (A) This chapter;
- 8           (B) Fiduciary duties and ethics;
- 9           (C) Association budgeting, reserves, and financial  
10 controls;
- 11          (D) Procurement and contract administration;
- 12          (E) Maintenance planning and life-cycle analysis; and
- 13          (F) Recordkeeping and owner disclosure requirements;
- 14       (4) Pass a written examination demonstrating competency in  
15 association management; and
- 16       (5) Submit to a criminal history record check as  
17 determined by rule.

18       **§514B-       Continuing education.** (a) Each association  
19 manager shall complete continuing education requirements as a  
20 condition of license renewal.

21       (b) Continuing education shall include instruction in:





- 1 (1) Legislative acts that change any of the provisions of
- 2 this chapter;
- 3 (2) Ethics and fiduciary responsibilities;
- 4 (3) Reserve funding and long-term planning; and
- 5 (4) Risk management.

6 **§514B- Standards of conduct.** An association manager  
7 shall:

- 8 (1) Act in the best interests of the association;
- 9 (2) Exercise reasonable care, diligence, and professional
- 10 judgment;
- 11 (3) Disclose and avoid conflicts of interest;
- 12 (4) Comply with this chapter, rules adopted thereunder,
- 13 and applicable governing documents; and
- 14 (5) Maintain complete and accurate association records.

15 **§514B- Discipline; enforcement.** (a) The commission  
16 may deny, suspend, revoke, or place conditions upon a license  
17 and may impose administrative fines for violations of this part  
18 or rules adopted thereunder.

19 (b) Grounds for discipline shall include:

- 20 (1) Fraud or misrepresentation;
- 21 (2) Gross negligence or incompetence



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- 1 (3) Misappropriation of association funds;
- 2 (4) Failure to disclose conflicts of interest; or
- 3 (5) Repeated violations of any provision of this chapter."

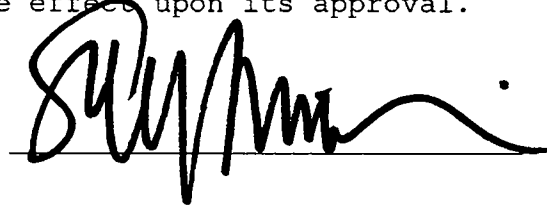
## 4 PART IV

5 SECTION 7. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7 SECTION 8. This Act shall take effect upon its approval.

8

INTRODUCED BY:

A handwritten signature in black ink, appearing to be "S. H. M.", is written over a horizontal line.

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**Report Title:**

Condominium Associations; Directors; Officers; Educational Requirements; Association Managers; Licensure

**Description:**

Requires condominium association directors and officers to complete certain educational requirements within ninety days of election or appointment. Establishes a regulatory framework for the licensure of condominium association managers.

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

