

JAN 28 2026

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 III



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) Expedited 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:



- 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.

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:

"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:



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 **S514B-** **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 **S514B-** **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 **S514B- 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 **S514B- 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



- 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."

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:

2026-0848 SB HMSO



S.B. NO. 3181

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.

