

JAN 21 2026

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# A BILL FOR AN ACT

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RELATING TO COMMON INTEREST COMMUNITIES.

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

1       SECTION 1. Chapter 421I, Hawaii Revised Statutes, is  
2       amended by adding a new section to be appropriately designated  
3       and to read as follows:  
4       "§421I-     Managing agents; educational opportunities.   If  
5       a managing agent is sent any information on educational  
6       opportunities or seminars relating to corporations from a  
7       verified Hawaii-based or national condominium or common interest  
8       provider source, the managing agent shall, upon receipt,  
9       distribute the information electronically to the board of  
10       directors and post on any electronic communication platform of  
11       the corporation at no cost to the corporation the date of the  
12       educational opportunity or seminar. The managing agent shall  
13       again distribute to the board and management staff, and post on  
14       an any electronic communication platform, information on the  
15       educational opportunity or seminar at least three weeks before  
16       the date of the educational opportunity or seminar. The



1 requirements of this section shall apply to all managing agents,  
2 including unregistered managing agents."

3 SECTION 2. Chapter 421J, Hawaii Revised Statutes, is  
4 amended by adding a new section to be appropriately designated  
5 and to read as follows:

6 "§421J- Managing agents; educational opportunities. If  
7 a managing agent is sent any information on educational  
8 opportunities or seminars relating to associations from a  
9 verified Hawaii-based or national condominium or common interest  
10 provider source, the managing agent shall, upon receipt,  
11 distribute the information electronically to the board of  
12 directors and post on any electronic communication platform of  
13 the association at no cost to the association the date of the  
14 educational opportunity or seminar. The managing agent shall  
15 again distribute to the board and management staff and post on  
16 an electronic communication platform information on the  
17 educational opportunity or seminar at least three weeks before  
18 the date of the educational opportunity or seminar. The  
19 requirements of this section shall apply to all managing agents,  
20 including unregistered managing agents."



SECTION 3. Section 514B-132, Hawaii Revised Statutes, is amended to read as follows:

**"§514B-132 Managing agents.** (a) Every managing agent shall:

(1) Be a:

(A) Licensed real estate broker in compliance with chapter 467 and the rules of the commission. With respect to any requirement for a corporate managing agent in any declaration or bylaws recorded before July 1, 2006, any managing agent organized as a limited liability company shall be deemed to be organized as a corporation for the purposes of this paragraph, unless the declaration or bylaws are expressly amended after July 1, 2006 to require that the managing agent be organized as a corporation and not as a limited liability company; or

(B) Corporation authorized to do business under article 8 of chapter 412;

(2) Register with the commission prior to conducting managing agent activity through approval of a



1 completed registration application, payment of fees,  
2 and submission of any other additional information set  
3 forth by the commission. The registration shall be  
4 for a biennial period with termination on December 31  
5 of an even-numbered year. The commission shall  
6 prescribe a deadline date prior to the termination  
7 date for the submission of a completed reregistration  
8 application, payment of fees, and any other additional  
9 information set forth by the commission. Any managing  
10 agent who has not met the submission requirements by  
11 the deadline date shall be considered a new applicant  
12 for registration and subject to initial registration  
13 requirements. The information required to be  
14 submitted with any application shall include the name,  
15 business address, phone number, and names of  
16 associations managed;

- 17 (3) Obtain and keep current a fidelity bond in an amount  
18 equal to \$500 multiplied by the aggregate number of  
19 units of the association managed by the managing  
20 agent; provided that the amount of the fidelity bond  
21 shall not be less than \$20,000 nor greater than



1           \$500,000. Upon request by the commission, the  
2           managing agent shall provide evidence of a current  
3           fidelity bond or a certification statement from an  
4           insurance company authorized by the insurance division  
5           of the department of commerce and consumer affairs  
6           certifying that the fidelity bond is in effect and  
7           meets the requirements of this section and the rules  
8           adopted by the commission. The managing agent shall  
9           permit only employees covered by the fidelity bond to  
10          handle or have custody or control of any association  
11          funds, except any principals of the managing agent  
12          that cannot be covered by the fidelity bond. The  
13          fidelity bond shall protect the managing agent against  
14          the loss of any association's moneys, securities, or  
15          other properties caused by the fraudulent or dishonest  
16          acts of employees of the managing agent. Failure to  
17          obtain or maintain a fidelity bond in compliance with  
18          this chapter and the rules adopted pursuant thereto,  
19          including failure to provide evidence of the fidelity  
20          bond coverage in a timely manner to the commission,  
21          shall result in nonregistration or the automatic



1            termination of the registration, unless an approved  
2            exemption or a bond alternative is presently  
3            maintained. A managing agent who is unable to obtain  
4            a fidelity bond may seek an exemption from the  
5            fidelity bond requirement from the commission;

6            (4) Act promptly and diligently to recover from the  
7            fidelity bond, if the fraud or dishonesty of the  
8            managing agent's employees causes a loss to an  
9            association, and apply the fidelity bond proceeds, if  
10           any, to reduce the association's loss. If more than  
11           one association suffers a loss, the managing agent  
12           shall divide the proceeds among the associations in  
13           proportion to each association's loss. An association  
14           may request a court order requiring the managing agent  
15           to act promptly and diligently to recover from the  
16           fidelity bond. If an association cannot recover its  
17           loss from the fidelity bond proceeds of the managing  
18           agent, the association may recover by court order from  
19           the real estate recovery fund established under  
20           section 467-16[τ]; provided that:



1 (A) The loss is caused by the fraud,  
2 misrepresentation, or deceit of the managing  
3 agent or its employees;

4 (B) The managing agent is a licensed real estate  
5 broker; and

6 (C) The association fulfills the requirements of  
7 sections 467-16 and 467-18 and any applicable  
8 rules of the commission;

9 (5) Pay a nonrefundable application fee and, upon  
10 approval, an initial registration fee, and  
11 subsequently pay a reregistration fee, as prescribed  
12 by rules adopted by the director of commerce and  
13 consumer affairs pursuant to chapter 91. A compliance  
14 resolution fee shall also be paid pursuant to section  
15 26-9(o) and the rules adopted pursuant thereto; and

16 (6) Report immediately in writing to the commission any  
17 changes to the information contained on the  
18 registration application or any other documents  
19 provided for registration. Failure to do so may  
20 result in termination of registration and subject the  
21 managing agent to initial registration requirements.



1 (b) The commission may deny any registration or  
2 reregistration application or terminate a registration without  
3 hearing if the fidelity bond and supporting documents fail to  
4 meet the requirements of this chapter and the rules adopted  
5 pursuant thereto.

6 (c) Every managing agent shall be considered a fiduciary  
7 with respect to any property managed by that managing agent.

8 (d) The registration requirements of this section shall  
9 not apply to active real estate brokers in compliance with and  
10 licensed under chapter 467.

11 (e) If a managing agent receives a request from the  
12 commission to distribute any commission-generated information,  
13 printed material, or documents to the association, its board, or  
14 unit owners, the managing agent shall make the distribution at  
15 the cost of the association within a reasonable period of time  
16 after receiving the request. The requirements of this  
17 subsection shall apply to all managing agents, including  
18 unregistered managing agents.

19 (f) If a managing agent is sent any educational  
20 opportunities or seminars relating to condominiums from a  
21 verified Hawaii-based or national condominium or common interest





1 provider source, the managing agent shall, upon receipt,  
2 distribute the information electronically to the board and post  
3 on any electronic communication platform of the association at  
4 no cost to the association the date of the educational  
5 opportunity or seminar. The managing agent shall again  
6 distribute to the board and management staff, and post on any  
7 electronic communication platform, information on the  
8 educational opportunity or seminar at least three weeks before  
9 the date of the educational opportunity or seminar. The  
10 requirements of this subsection shall apply to all managing  
11 agents, including unregistered managing agents."

12 SECTION 4. Statutory material to be repealed is bracketed  
13 and stricken. New statutory material is underscored.

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

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INTRODUCED BY: Carol Johnson



# S.B. NO. 2295

**Report Title:**

Cooperative Housing Corporations; Planned Community Associations; Condominiums; Managing Agents; Educational Opportunities; Seminars; Notice

**Description:**

Requires all managing agents of cooperative housing corporations, planned community associations, and condominiums to distribute information received regarding educational opportunities or seminars electronically to the board of directors of the cooperative housing corporation, planned community association, or condominium.

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

