

JAN 30 2026

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 that longstanding issues
2 within Hawaii's condominium associations continue to result in
3 unwarranted assessments, fines, legal fees, and retaliation
4 against owners. Act 189, Session Laws of Hawaii 2023,
5 established the condominium property regime task force to
6 examine these problems and recommend improvements related to
7 disputes, board governance, and enforcement. The task force
8 issued its formal report in December 2023. Through Act 43,
9 Session Laws of Hawaii 2024, the legislature engaged the
10 legislative reference bureau to conduct a comparative study of
11 condominium laws in selected states, including California,
12 Delaware, Florida, Massachusetts, and Nevada, which was
13 published in November 2025. This study highlighted that several
14 states operate condominium ombudsman offices or similar
15 enforcement mechanisms; however, it did not include a review of
16 Hawaii's own condominium laws.



1 The legislature further finds that Hawaii's current
2 framework for addressing condominium disputes is inadequate.
3 Without meaningful reform, condominium owners risk continued
4 exposure to unnecessary litigation, escalating legal costs, and
5 the potential loss of their homes. Stronger consumer
6 protections are urgently needed to ensure that associations,
7 boards, and managing agents comply with governing documents and
8 the requirements of chapter 514B, Hawaii Revised Statutes.

9 The legislature therefore finds that establishing an
10 ombudsman's office for condominium owners and associations is
11 necessary to support consumers, improve condominium-related
12 dispute resolution, and enhance accountability within the
13 State's condominium governance system.

14 The purpose of this Act is to:

- 15 (1) Establish an ombudsman's office for condominium owners
16 and associations in the department of commerce and
17 consumer affairs to assist condominium owners and
18 association boards with dispute assistance and
19 resolutions pertaining to violations of governing
20 documents and state laws; and



1 (2) Fund the ombudsman's office for condominium owners and
2 associations via a small increase in the registration
3 fees every registered condominium association pays
4 biennially to the condominium education trust fund.

5 SECTION 2. Chapter 514B, Hawaii Revised Statutes, is
6 amended by adding a new part to be appropriately designated and
7 to read as follows:

8 "PART . OMBUDSMAN'S OFFICE FOR CONDOMINIUM OWNERS AND
9 ASSOCIATIONS.

10 §514B- Ombudsman's office for condominium owners and
11 associations; established. (a) There is established within the
12 department of commerce and consumer affairs an ombudsman's
13 office for condominium owners and associations. The office
14 shall be headed by the ombudsman for condominium owners and
15 associations, who shall be appointed by the governor with the
16 advice and consent of the senate.

17 (b) The ombudsman shall have been admitted to practice law
18 before the Hawaii supreme court, have at least five years of
19 practical experience, and shall have extensive experience in
20 Hawaii real estate, condominium association law, and conflict
21 and alternative dispute resolution.



1 **§514B- Personnel; salary; benefits.** (a) The ombudsman
2 shall employ professional and clerical staff as necessary for
3 the efficient operation of the ombudsman's office. The
4 ombudsman shall appoint one additional person who has been
5 admitted to practice law before the Hawaii supreme court as
6 staff.

7 (b) Personnel and administrative costs of the ombudsman's
8 office shall be funded by the condominium education trust fund.

9 **§514B- Ombudsman; powers and duties.** (a) The
10 ombudsman shall:

11 (1) Have the power to establish rules pursuant to
12 chapter 91 for the operation of the office, including
13 receiving and processing complaints and requests for
14 dispute intervention and resolution and conducting
15 investigations;

16 (2) Act as a liaison between unit owners, boards, board
17 members, association management, managing agents and
18 their employees, and other affected parties;

19 (3) Act as a neutral resource for the rights and
20 responsibilities of unit owners, associations, boards
21 of directors, board members, managers, and any



1 affected parties to encourage and facilitate voluntary
2 meetings with and between these entities;

3 (4) Assist unit owners in understanding their rights and
4 the processes available to them according to the laws
5 and rules governing condominium associations;

6 (5) Respond to general inquiries, make recommendations,
7 and give guidance as necessary to assist unit owners
8 and boards;

9 (6) Receive written requests for dispute intervention and
10 resolution;

11 (7) Investigate and assist in resolving disputes brought
12 by unit owners, associations, boards, and board
13 members; and

14 (8) Maintain publicly available data that is updated
15 quarterly on inquiries and complaints received by the
16 office.

17 (b) The decisions or recommendations of the ombudsman
18 shall be nonbinding but may be admissible in court if the
19 decisions or recommendations are not followed.

20 **§514B- Request for dispute intervention and resolution.**

21 A unit owner or association, by its board members, who is a



1 party to a dispute involving the interpretation or enforcement
2 of an association's governing documents, including the
3 condominium's declaration, bylaws, and house rules, this
4 chapter, or any other law the association is obligated to
5 follow, may submit to the ombudsman's office a written request
6 for dispute intervention and resolution setting forth the facts
7 forming the basis of the dispute."

8 SECTION 3. Section 514B-71, Hawaii Revised Statutes, is
9 amended by amending subsection (a) to read as follows:

10 "(a) The commission shall establish a condominium
11 education trust fund that the commission shall use for
12 educational purposes. Educational purposes shall include
13 financing or promoting:

14 (1) Education and research in the field of condominium
15 management, condominium project registration, and real
16 estate, for the benefit of the public and those
17 required to be registered under this chapter;

18 (2) The improvement and more efficient administration of
19 associations;

20 (3) Expeditious and inexpensive procedures for resolving
21 association disputes;



1 (4) Support for the ombudsman's office for condominium
 2 owners and associations established pursuant to
 3 part _____ ;

4 [~~4~~] (5) Support for mediation of condominium related
 5 disputes; and

6 [~~5~~] (6) Support for voluntary binding arbitration between
 7 parties in condominium related disputes, pursuant to
 8 section 514B-162.5."

9 SECTION 4. Section 514B-72, Hawaii Revised Statutes, is
 10 amended by amending subsection (a) to read as follows:

11 "(a) Each project or association with more than five units
 12 shall pay to the department of commerce and consumer affairs:

13 (1) A condominium education trust fund fee within one year
 14 after the recordation of the purchase of the first
 15 unit or within thirty days of the association's first
 16 meeting, and thereafter, on or before June 30 of every
 17 odd-numbered year, as prescribed by rules adopted
 18 pursuant to chapter 91; [~~and~~]

19 (2) Beginning with the July 1, 2015, biennium
 20 registration, an additional annual condominium
 21 education trust fund fee in an amount equal to the



1 product of \$1.50 times the number of condominium units
2 included in the registered project or association to
3 be dedicated to supporting mediation or voluntary
4 binding arbitration of condominium related disputes.
5 The additional condominium education trust fund fee
6 shall total \$3 per unit until the commission adopts
7 rules pursuant to chapter 91. On June 30 of every
8 odd-numbered year, any unexpended additional amounts
9 paid into the condominium education trust fund and
10 initially dedicated to supporting mediation or
11 voluntary binding arbitration of condominium related
12 disputes, as required by this paragraph, shall be used
13 for educational purposes as provided in section 514B-
14 71(a) (1), (2), and (3) [~~-~~]; and

15 (3) Beginning with the July 1, 2027, biennium, an
16 additional annual condominium education trust fund fee
17 of \$2.50 to be dedicated to supporting the ombudsman's
18 office for condominium owners and associations
19 established pursuant to part _____."

20 SECTION 5. There is appropriated out of the condominium
21 education trust fund the sum of \$ _____ or so much thereof



1 as may be necessary for fiscal year 2026-2027 for the
2 administrative costs associated with the establishment of the
3 ombudsman's office for condominium owners and associations
4 within the department of commerce and consumer affairs,
5 including the hiring of necessary staff.

6 The sum appropriated shall be expended by the department of
7 commerce and consumer affairs for the purposes of this Act.

8 SECTION 6. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 7. This Act shall take effect on July 1, 2026.

11

INTRODUCED BY: _____



S.B. NO. 3309

Report Title:

DCCA; Condominiums; Condominium Associations; Ombudsman's Office for Condominium Owners and Associations; Condominium Education Trust Fund; Appropriation

Description:

Establishes the Ombudsman's Office for Condominium Owners and Associations within the Department of Commerce and Consumer Affairs. Increases the biennial Condominium Education Trust Fund fee by \$2.50 a year to pay for the ongoing costs of the Ombudsman's Office. Appropriates funds from the Condominium Education Trust Fund for establishment of the Ombudsman's Office.

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

