



Hawai'i 2023 End of Legislative Session Report

The CAI Hawaii Chapter Legislative Action Committee (LAC) actively advocated on behalf of the [approximately 397,000 Hawaii residents living in 135,000 homes in more than 2,000 community associations across the Aloha State](#) during the 2023 state legislative session. CAI Hawaii LAC was able to block many bills which would have had a negative impact on Hawaii community associations, and was also able to pass key pieces of legislation. Below is a brief overview from the 2023 Hawai'i State Legislature:

SB 921 RELATING TO LIMITATIONS OF ACTIONS- This bill clarifies that no statute of repose shall affect a condominium association's right of action against a condominium developer sooner than two years after the period of developer control terminates.

Status: Successfully PASSED; Governor vetoed April 21, 2023. Veto overridden May 4, 2023. Effective immediately. Act 29.

SB 729/HB 1161 RELATING TO BOARD MEMBERS- This bill requires the Real Estate Commission to develop a training curriculum for condominium boards of directors, mandated to include information on relevant state laws, association governing documents, and the fiduciary duties of board members. The training is NOT mandated for board members. CAI Hawaii LAC supported this bill with amendments, which were successfully adopted.

Status: Successfully PASSED; Governor signed June 29, 2023. Effective July 1, 2023. Act 149.

SB 855/HB 803 RELATING TO CONDOMINIUM RESERVE REQUIREMENTS- This bill allows a condominium association to provide a summary of the reserve information in its budget, and authorizes a condominium association's reserve study to forecast a loan or special assessment to fund life safety equipment or installations for any building located in a county with a population greater than five hundred thousand. The bill also authorizes a condominium association to use a third party to conduct a reserves study on behalf of the condominium. The bill also contains a clarified formula for how estimated replacement reserves assessments are computed. CAI Hawaii LAC supported this bill with amendments, which were successfully adopted.

Status: Successfully PASSED; Governor signed July 3, 2023. Effective upon signing. Act 199.

SB 1202/HB 176 RELATING TO CONDOMINIUM ASSOCIATIONS- This bill would have expanded the real estate commissions enforcement authority to include violations of requirements for meetings and board elections. It would have also required newly elected or

appointed condominium association board members to certify in writing compliance with specified duties and obligations. The bill also clarified electronic voting device procedures, and would have eliminated proxy voting. It also contained additional requirements and procedures for association meetings and board of director elections, and new penalties for improper voting and forgery of ballot envelopes. This bill was an overreach by lawmakers, and CAI Hawaii LAC opposed this measure.

Status: Successfully DIED in Committee.

HB 1509 RELATING TO COMMON-INTEREST DEVELOPMENTS- This bill establishes a Planned Community Association Oversight Task Force, charged with evaluating the differences between the rights afforded to condo owners versus HOAs in order to determine the feasibility of extending any of those rights to HOA members. The bill also establishes a Condominium Property Regime Task Force to examine and evaluate issues regarding condominium property regimes and conduct an assessment of the alternative dispute resolution systems that have been established in Hawaii. The task forces would be expected to produce interim reports by the time the State Legislature convenes in 2024, with final reports to be produced in 2025. The mandates of both task forces expire June 30, 2025. CAI Hawaii LAC opposed this bill.

Status: Successfully PASSED; Governor signed July 3, 2023. Effective upon signing. Act 189.

HB 1501 RELATING TO CONDOMINIUM ASSOCIATIONS- This bill would have established a condominium ombudsman office within the Department of Commerce and Consumer Affairs, with authority to investigate complaints and enforce compliance. The bill would have also required condominium board members to attend an education course provided by the state. CAI Hawaii LAC worked hard to oppose this bill, and lawmakers listened, preventing what would have been a very negative bill from moving forward.

Status: Successfully DIED in Committee.

HB 381/SB 594 RELATING TO CONDOMINIUMS- This bill would have eliminated the current June 30, 2023 deadline for the use of funds from the Department of Commerce's Condominium Education Trust Fund to support voluntary binding arbitration programs. Had this bill passed, it meant that current dispute resolution programs supported by the state would have been able to receive funding from the Department of Commerce in perpetuity. CAI Hawaii LAC was supportive of this bill.

Status: Unsuccessfully DIED in Committee.

SB 1234/HB 351 RELATING TO TAX CREDITS- This bill establishes a nonrefundable income tax credit for owners of condominium units whose condominium association is

increasing maintenance fees or imposing a special assessment to comply with a county ordinance requiring an automatic fire sprinkler system or alternative fire prevention and fire safety system, to be applied to taxable years beginning after December 31, 2023. CAI Hawaii LAC provided testimony on this bill, as representatives of condominium owners across the state.

Status: DIED in Committee.

HB 178 RELATING TO HOMEOWNERS ASSOCIATIONS- This bill would have established a HOA ombudsman office within the Department of Commerce and Consumer Affairs, with authority to investigate complaints and enforce compliance. The bill would have also required HOA board members to attend an education course provided by the state. CAI Hawaii LAC worked hard to oppose this bill, and lawmakers listened, preventing what would have been a very negative bill from moving forward.

Status: Successfully DIED in Committee.

SB 1203/HB 296 RELATING TO PROFESSIONAL AND VOCATIONAL LICENSING- This was a manager licensure bill; community association managers would have had to go through a state-mandated licensure program, under this bill. CAI Hawaii LAC was opposed to this bill, due to the effective, internationally recognized self-regulation which already exists for community managers nationwide.

Status: Successfully DIED in Committee.

HB 299 RELATING TO PROPERTY MANAGEMENT- This bill would have required each member of a community association board to attend a training and certification course provided by the state within one year of appointment or election or one year of the effective date of the bill. It would have required the Real Estate Commission to establish and administer a training and certification program on legal and fiduciary requirements. CAI Hawaii LAC opposed this bill due to the burden it would have placed on the homeowner volunteers who help make community association living possible.

Status: Successfully DIED in Committee.

For more information on community association legislation in Hawai‘i, visit <https://www.caionline.org/Advocacy/LegalArena/Laws/Pages/HI.aspx>.

Your Assistance is Needed

CAI relies on outside resources such as professional lobbying as a vital and integral part of the legislative process. The volunteers who advocate – including homeowner leaders, community



managers, and business partners – greatly rely on contributions from management companies and business partners in addition to individuals to continue their important efforts in the legislature. CAI needs your financial support to bolster their advocacy activities in 2023 and beyond. We encourage donations from Hawai'i community associations, business partners, and individuals. Please visit www.caionline.org/lacdonate/ and donate to CAI's Hawaii Legislative Action Committee to support our continued efforts.

We need YOUR voice! [Sign up today](#) to become a CAI Advocacy Ambassador and help shape legislation in your state!

Hawai'i Contact Information

- Visit <https://www.caionline.org/Advocacy/LAC/HI/Pages/default.aspx>
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