

2025 CAI Hawaii Legislative Session Report

Community Associations Institute (CAI) Hawaii Legislative Action Committee (HI LAC) spent the 2025 legislative session advocating on behalf of the <u>approximately 294,000 Hawaii residents living in 101,400</u> <u>homes in nearly 2,000 community associations across the Aloha State</u>. Hawaii's 2025 legislative session began on January 15 and adjourned on May 2. Hawaii allows legislation to be carried over from odd numbered years to even numbered years, so legislation from this session may be brought up again next year. Below are highlights from the 2025 Hawaii State Legislature:

HB 70/SB 253 - RELATING TO CONDOMINIUM RESERVES.

HI LAC supported these bills that increase transparency in condominium associations through the disclosure of financial information via budget summaries. HI LAC worked diligently with legislators to amend the bills in ways which made the most sense for Hawaii homeowners.

These bills affirmatively state that required budget summaries must be published alongside association budgets and contain all required information, rather than instructing the reader to refer to specific sections of the budget for information. Under this legislation, the summaries are now also required to contain information on estimated costs of fire and life safety equipment suitable to address a building fire. This also establishes standing for homeowners to seek an injunction to force compliance should the budget summary not be published.

Status: Successfully PASSED, awaiting Governor's signature. Effective immediately upon signature.

HB 252/SB 801 RELATING TO MANAGING AGENTS.

HI LAC opposed these bills upon introduction and worked with lawmakers to amend them into a form more compliant with CAI's <u>Manager Licensing and Model Legislation Public Policy</u>.

When first introduced, both bills created a broad community association manager licensing program for Hawaii. HI LAC was able to get the bills amended to require that certain managers be credentialed by a nationwide industry management trade group. This requirement would only apply to managers of buildings with more than 100 units in a county with a population greater than 500,000.

Status: Successfully DIED.

HB 850 - RELATING TO CONDOMINIUMS.

HI LAC supported this bill, which provides Hawaii condominium associations with a means to conduct meetings and votes virtually.

This bill establishes that associations may conduct votes and hold meetings via electronic means, regardless of whether or not there is a state of emergency declared by a local government. It also clarifies that a candidate may be a write-in candidate during elections. CAI <u>supports</u> legislation that allows a community association board and membership to hold meetings virtually.

Status: DIED in Conference Committee.

<u>SB 146</u> RELATING TO CONDOMINIUMS.

HI LAC successfully worked to amend this bill as soon as it was introduced to better tailor the bill to CAI's <u>Alternative Dispute Resolution Public Policy</u>.

This bill establishes new alternative dispute resolution (ADR) rules for Hawaii when there are disputes between associations and unit owners. Chiefly, it preserves the right for associations to collect attorney's fees should it prevail in actions taken against a unit owner, and it allows owners to seek evaluative mediation (to be subsidized by the condominium education trust fund) for disputes not related to assessments, property damage, personal injury claims, duplicative issues, or if ADR has already been initiated by the association. Evaluative mediation must be sought by an owner within 30 days after the date of a statement of assessment. The bill also states that unit owners have no right to withhold common expense assessment payments for any reason, but may dispute the assessment after payment. Other assessments may be disputed before making payment.

Status: DIED in Conference Committee.

<u>SB 147</u> - RELATING TO CONDOMINIUMS.

HI LAC supported this bill and worked with lawmakers to offer amendments which would best meet the needs of Hawaii's community association homeowners.

This bill clarifies association fining authority and requires that once a fine is imposed, a written notice with an explanation of the fine be sent to homeowners. The notice should also include an explanation of any appeals processes, and states that attorney's fees cannot be collected before a fine is deemed collectable.

Status: DIED in House.

<u>SB 385</u> - RELATING TO CONDOMINIUMS.

HI LAC supported this bill to further promote transparency among Hawaii's community associations.

This bill requires that electronic copies of documents be provided by associations and managers to owners upon request and at no additional cost. It removes the authority for associations to charge administrative costs for copies of documents, but still allows for the charging of postage and for physical duplication of documents.

Status: Successfully PASSED, awaiting Governor's signature. Effective immediately upon signature.

<u>SB 1046</u> RELATING TO CONDOMINIUMS.

HI LAC opposed this bill, which requires certain managers to notify each unit owner and the Hawaii Real Estate Commission when a condominium association fails to meet the state's reserve funding requirements. CAI opposed the undue burdens it places on managers and associations.

Status: Successfully DIED in House.

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CAI provides advocacy trainings and opportunities, education programs, best practices, and robust resources to help you stay up-to-date on the latest news, laws, legislation, policies, and issues affecting homeowners associations, condominiums, and housing cooperatives. As a CAI member, you'll also get a membership to your local chapter and gain a network of industry colleagues — over 50,000 of them in <u>64 chapters</u> worldwide.

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