A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

SECTION 1. Chapter 514B, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§514B- Board; limitation; required education. (a) Each director shall complete a two-hour self-governance orientation by the association's legal counsel. The orientation shall cover the following:

(1) The association's governing documents;
(2) The director's fiduciary duty;
(3) Any applicable code of conduct;
(4) Conflicts of interest;
(5) The business judgment rule;
(6) Confidentiality of executive session matters; and
(7) Any other information the board may deem necessary.

(b) The orientation shall be completed by a director within ninety days of the director's initial election or appointment; provided that a director shall not be required to
complete the orientation upon any subsequent election or
appointment.

(c) Upon completion of the orientation, the director shall
receive a certificate or letter certifying the completion of the
orientation. The director shall submit the certificate or
letter to the board.

(d) Each board shall enforce compliance with this section.

Failure to complete the orientation in accordance with
subsections (b) and (c) shall result in the noncomplying
director's automatic removal from the board."

SECTION 2. Each director serving on a board of a
condominium association on the effective date of this Act may
serve until that director's current term expires without regard
to the requirements of this Act. All directors elected or
appointed after the effective date of this Act shall comply with
the requirements set forth in section 1 of this Act.

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2019.
Report Title:
Condominium Associations; Boards of Directors

Description:
Establishes educational requirements of a condominium association director.

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