
A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

1 SECTION 1. Section 667-91, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "[+]§667-91[+] Alternate power of sale process. The power
4 of sale process in this part is an alternative process for
5 associations to the foreclosure by action in part IA and the
6 foreclosure by power of sale in part II[-]; provided that the
7 association documents contains, authorizes, permits, or provides
8 for a power of sale, a power of sale foreclosure, a power of
9 sale remedy, or a nonjudicial foreclosure."

10 SECTION 2. A foreclosing association that acquired a unit
11 through a foreclosure proceeding in violation of part VI of
12 chapter 667, Hawaii Revised Statutes, between June 28, 2012, and
13 the effective date of this Act, shall be liable for reasonable
14 damages and attorney's fees.

15 SECTION 3. (a) There is established an association
16 foreclosure task force within the department of commerce and
17 consumer affairs for administrative purposes only.



1 (b) The association foreclosure task force shall comprise
2 the following members or their designees:

3 (1) The executive director of the office of consumer
4 protection, who shall serve as chair of the task
5 force;

6 (2) The chief justice of the Hawaii supreme court;

7 (3) The attorney general;

8 (4) A representative from a legal organization that
9 promotes equal justice;

10 (5) Two members from an association of apartment owners,
11 one to be selected by the president of the senate and
12 one to be selected by the speaker of the house of
13 representatives; and

14 (6) Two members who have represented a person who
15 challenged a nonjudicial foreclosure in court, one to
16 be selected by the president of the senate and one to
17 be selected by the speaker of the house of
18 representatives.

19 (c) The association foreclosure task force shall review
20 existing foreclosure laws and propose additional solutions that



1 protect the interests of associations and prevent the State's
2 foreclosure laws from unfairly treating unit owners.

3 (d) The association foreclosure task force shall submit a
4 report of its findings and recommendations, including any
5 proposed legislation, no later than twenty days before the
6 convening of the 2021 regular session.

7 (e) The association foreclosure task force shall be
8 dissolved on June 30, 2021.

9 SECTION 4. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 5. This Act shall take effect on July 1, 2050.



Report Title:

Associations; Nonjudicial Foreclosure; Power of Sale; Damages

Description:

Clarifies that the explicit grant of power of sale to associations is required for the purposes of enforcing association liens under the association alternate power of sale foreclosure process. Clarifies available damages for violations of the association alternate power of sale foreclosure process. Establishes an association foreclosure task force. (SB551 HD2)

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