

JAN 24 2019

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# A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

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

4           "§514B-     Board; limitation; required education.   (a)

5 Each director shall complete a two-hour self-governance  
6 orientation by the association's legal counsel. The orientation  
7 shall cover the following:

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

15          (b) The orientation shall be completed by a director  
16 within ninety days of the director's initial election or  
17 appointment; provided that a director shall not be required to



1 complete the orientation upon any subsequent election or  
2 appointment.

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

7 (d) Each board shall enforce compliance with this section.  
8 Failure to complete the orientation in accordance with  
9 subsections (b) and (c) shall result in the noncomplying  
10 director's automatic removal from the board."

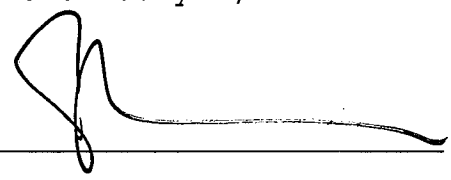
11 SECTION 2. Each director serving on a board of a  
12 condominium association on the effective date of this Act may  
13 serve until that director's current term expires without regard  
14 to the requirements of this Act. All directors elected or  
15 appointed after the effective date of this Act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

17 SECTION 3. New statutory material is underscored.

18 SECTION 4. This Act shall take effect on July 1, 2019.

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INTRODUCED BY: \_\_\_\_\_



# S.B. NO. 1284

**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.*

