

JAN 17 2020

A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

1 SECTION 1. Section 514B-65, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§514B-65 Investigative powers.** If the commission has
4 reason to believe that any person is violating or has violated
5 this part, part V, section 514B-103, 514B-123, 514B-132,
6 514B-134, 514B-149, sections 514B-152 to 514B-154, section
7 514B-154.5, or the rules of the commission adopted pursuant
8 thereto, the commission may conduct an investigation of the
9 matter and examine the books, accounts, contracts, records, and
10 files of all relevant parties. For purposes of this
11 examination, the developer and the real estate broker shall keep
12 and maintain records of all sales transactions and of the funds
13 received by the developer and the real estate broker in
14 accordance with chapter 467 and the rules of the commission, and
15 shall make the records accessible to the commission upon
16 reasonable notice and demand."



1 SECTION 2. Section 514B-66, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§514B-66 Cease and desist orders. In addition to its
4 authority under sections 514B-67 and 514B-68, whenever the
5 commission has reason to believe that any person is violating or
6 has violated this part, part V, section 514B-103, 514B-123,
7 514B-132, 514B-134, 514B-149, sections 514B-152 to 514B-154,
8 section 514B-154.5, or the rules of the commission adopted
9 pursuant thereto, it may issue and serve upon the person a
10 complaint stating its charges in that respect and containing a
11 notice of a hearing at a stated place and upon a day at least
12 thirty days after the service of the complaint. The person
13 served has the right to appear at the place and time specified
14 and show cause why an order should not be entered by the
15 commission requiring the person to cease and desist from the
16 violation of the law or rules charged in the complaint. If the
17 commission finds that this chapter or the rules of the
18 commission have been or are being violated, it shall make a
19 report in writing stating its findings as to the facts and shall
20 issue and cause to be served on the person an order requiring
21 the person to cease and desist from the violations. The person,



1 within thirty days after service upon the person of the report
2 or order, may obtain a review thereof in the appropriate circuit
3 court."

4 SECTION 3. Section 514B-68, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "§514B-68 Power to enjoin. Whenever the commission
7 believes from satisfactory evidence that any person has violated
8 this part, part V, section 514B-103, 514B-123, 514B-132,
9 514B-134, 514B-149, sections 514B-152 to 514B-154, section
10 514B-154.5, or the rules of the commission adopted pursuant
11 thereto, it may conduct an investigation of the matter and bring
12 an action against the person in any court of competent
13 jurisdiction on behalf of the State to enjoin the person from
14 continuing the violation or doing any acts in furtherance
15 thereof."

16 SECTION 4. Section 514B-69, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "§514B-69 Penalties. (a) Any person who violates or fails
19 to comply with this part, part V, section 514B-103, 514B-123,
20 514B-132, 514B-134, 514B-149, sections 514B-152 to 514B-154, or
21 section 514B-154.5, shall be guilty of a misdemeanor and shall



1 be punished by a fine not exceeding \$10,000, or by imprisonment
2 for a term not exceeding one year, or both. Any person who
3 violates or fails to comply with any rule, order, decision,
4 demand, or requirement of the commission under this part,
5 part V, section 514B-103, 514B-123, 514B-132, 514B-134,
6 514B-149, sections 514B-152 to 514B-154, or section 514B-154.5,
7 shall be punished by a fine not exceeding \$10,000.

8 (b) In addition to any other actions authorized by law,
9 any person who violates or fails to comply with this part,
10 part V, section 514B-103, 514B-123, 514B-132, 514B-134,
11 514B-149, sections 514B-152 to 514B-154, section 514B-154.5, or
12 the rules of the commission adopted pursuant thereto, shall also
13 be subject to a civil penalty not exceeding \$10,000 for any
14 violation. Each violation shall constitute a separate offense."

15 SECTION 5. This Act does not affect rights and duties that
16 matured, penalties that were incurred, and proceedings that were
17 begun before its effective date.

18 SECTION 6. New statutory material is underscored.



S.B. NO. 2419

1 SECTION 7. This Act shall take effect upon its approval.

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INTRODUCED BY: *Francis R. Sarge*

MS

Randy L. Bell

Charles S. Smith



S.B. NO. 2419

Report Title:

Condominiums; Voting; Enforcement

Description:

Makes violations of voting requirements for elections of a condominium association subject to the enforcement powers of the Real Estate Commission.

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

