
HOUSE CONCURRENT RESOLUTION

REQUESTING THE CONVENING OF A TASK FORCE TO CONDUCT A STUDY ON
IMPOSING MANDATORY ALTERNATIVE DISPUTE RESOLUTION TO
RESOLVE HOMEOWNERS ASSOCIATIONS DISPUTES.

1 WHEREAS, currently, major homeowner association disputes
2 are handled by association boards that are also responsible for
3 controlling millions of dollars in annual association dues and
4 that consist of voluntary members who are in a position where
5 their actions are often questioned; and
6

7 WHEREAS, the lack of an alternative dispute resolution
8 mechanism to resolve these disputes has resulted in litigation
9 and, as a consequence, association coffers are being used for
10 legal fees rather than common maintenance repairs; and
11

12 WHEREAS, delays in resolving these disputes can ultimately
13 affect the health and safety of hundreds of people, particularly
14 in large subdivisions where the lack of maintenance leads to the
15 disrepair of critical infrastructure, such as a major road; and
16

17 WHEREAS, condominium complexes, which have similar disputes
18 as homeowners associations, have access to benefits such as an
19 education fund under section 514A-131, Hawaii Revised Statutes,
20 and arbitration and mediation under sections 514A-121, 514A-
21 121.5, and 514B-161, Hawaii Revised Statutes, but homeowners
22 associations do not have such benefits; and
23

24 WHEREAS, among its duties, the Real Estate Commission of
25 the Department of Commerce and Consumer Affairs administers the
26 Condominium Education Trust Fund, for which a fee is collected
27 from each project and association under the Commission's
28 jurisdiction, for purposes including financing or promoting
29 expeditious and inexpensive procedures for resolving association
30 disputes; and



H.C.R. NO. 63

1 WHEREAS, the dispute resolution and mediation systems that
2 currently exist within the Judiciary may meet the needs of
3 homeowners associations; now, therefore,
4

5 BE IT RESOLVED by the House of Representatives of the
6 Twenty-eighth Legislature of the State of Hawaii, Regular
7 Session of 2016, the Senate concurring, that the Department of
8 Commerce and Consumer Affairs is requested to convene a task
9 force to conduct a study and develop a plan for requiring
10 homeowners association disputes to be resolved by dispute
11 resolution alternatives prior to resorting to litigation; and
12

13 BE IT FURTHER RESOLVED that this task force be composed of
14 the following members:
15

- 16 (1) The Director of Commerce and Consumer Affairs or the
17 Director's designee;
- 18
19 (2) A representative from the Alternative Dispute
20 Resolution branch of the Judiciary selected by the
21 Chief Justice;
- 22
23 (3) The Ombudsman or the Ombudsman's designee;
- 24
25 (4) A representative from a Homeowners Association
26 selected by the Department of Commerce and Consumer
27 Affairs;
- 28
29 (5) A representative from the Legislative Reference
30 Bureau, who shall provide legislative drafting
31 assistance, should the task force propose any
32 legislation; and
33
34 (6) A member of the Hawaii Association of Realtors; and
35

36 BE IT FURTHER RESOLVED that the task force is requested to
37 report its findings and recommendations, including any proposed
38 legislation, to the Legislature no later than twenty days before
39 the convening of the Regular Session of 2017; and
40

41 BE IT FURTHER RESOLVED that certified copies of this
42 Concurrent Resolution be transmitted to the Ombudsman, the

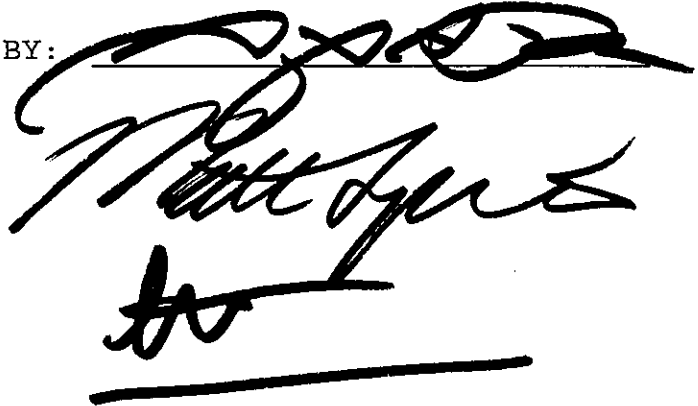


H.C.R. NO. 63

1 Director of Commerce and Consumer Affairs, the Administrative
2 Director of the Courts, the Acting Director of the Legislative
3 Reference Bureau, and the President of the Hawaii Association of
4 Realtors.

5
6
7

OFFERED BY:



A handwritten signature in black ink, appearing to read "Matt Jones", is written over a horizontal line. Below the signature is another horizontal line.

MAR 07 2016

