

MAR 10 2023

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# SENATE RESOLUTION

URGING THE REAL ESTATE COMMISSION TO DEVELOP POLICIES AND PROGRAMS TO INFORM AND EDUCATE CONDOMINIUM ASSOCIATION OWNERS AND BOARD MEMBERS OF CERTAIN MATTERS TO PROMOTE THE EFFICIENT ADMINISTRATION OF CONDOMINIUM ASSOCIATIONS.

1           WHEREAS, the unit owners of a condominium comprise its  
2 association and have duties and powers outlined in section  
3 514B-104, Hawaii Revised Statutes (HRS), and must comply with  
4 their association's governing declaration, bylaws, house rules,  
5 and policies; and

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7           WHEREAS, each year, association unit owners elect board  
8 members to manage their condominium's operations; pay  
9 assessments for the operation, repair, and maintenance of their  
10 condominiums; and fund reserves for deferred maintenance; and

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12           WHEREAS, boards of condominium associations are governed by  
13 chapter 514B, HRS, requiring that they follow their  
14 association's governing documents in managing condominium  
15 operations; repairing and maintaining their condominiums;  
16 assessing unit owners when needed; and facilitating capital  
17 improvements; and

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19           WHEREAS, as condominiums age, repair and maintenance costs  
20 also increase, which may impact association unit owners through  
21 increased maintenance fees and special assessments; and

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23           WHEREAS, the imposition of increased maintenance fees and  
24 special assessments can create discord and conflict between the  
25 association unit owners and their boards and managing agents,  
26 resulting in frustration, hostility, and dissension; and

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28           WHEREAS, section 514B-71, HRS, requires the Real Estate  
29 Commission--a commission administratively attached to the  
30 Department of Commerce and Consumer Affairs that has oversight  
31 of condominiums--to establish the Condominium Education Trust  
32 Fund to promote, among other things, education and research in  
33 condominium management, the improvement and more efficient



1 administration of associations, and the expeditious and  
2 inexpensive resolution of association disputes; now, therefore,

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4 BE IT RESOLVED by the Senate of the Thirty-second  
5 Legislature of the State of Hawaii, Regular Session of 2023,  
6 that the Real Estate Commission is urged to develop policies and  
7 programs to inform and educate condominium association unit  
8 owners and board members of the following:

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- 10 (1) Effective condominium governance practices, including
- 11 the importance of maintaining open and frequent
- 12 communication;
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- 14 (2) The purpose of governing documents and how they guide
- 15 condominium management;
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- 17 (3) The respective obligations of unit owners and board
- 18 members;
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- 20 (4) The interplay between regular assessments, reserves,
- 21 capital improvements, and special assessments;
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- 23 (5) Any other matters related to the effective
- 24 administration of associations; and
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- 26 (6) Dispute resolution processes, including the mechanics
- 27 of mediation and arbitration; and
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29 BE IT FURTHER RESOLVED that the Real Estate Commission is  
30 requested to use the Condominium Education Trust Fund for the  
31 purposes of developing the educational policies and programs  
32 requested herein; and

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34 BE IT FURTHER RESOLVED that certified copies of this  
35 Resolution be transmitted to the Chair of the Real Estate  
36 Commission and Director of Commerce and Consumer Affairs.

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39 OFFERED BY:

