

2024 CAI Hawai'i Legislative Session Report

Community Associations Institute (CAI) Hawaii Legislative Action Committee (LAC) spent the 2024 legislative session advocating on behalf of the <u>approximately 397,000 Hawaii residents live in 135,000 homes in more than 2,000 community associations across the Aloha State</u>. Hawai'i's legislative session began on January 17 and adjourned May 2, 2024. The CAI Hawaii LAC actively tracked 69 bills out of 2870 bills introduced in the House, and 3384 bills introduced in the Senate. Below are highlights from the 2024 Hawai'i State Legislature:

SB 2726/HB1814 RELATING TO CONDOMINIUMS

This bill requires the Legislative Reference Bureau to conduct a study on how certain other states approach the following subjects as they relate to condominiums: an ombudsman, licenses for management, alternative dispute resolution, governmental regulation, owner education, and owner access to documents. Extends the deadline for the final report and the cease date for the Condominium Property Regime Task Force to 6/30/2026.

The LAC supported this bill.

Status: Successfully PASSED, awaiting Governor's signature.

HB 2686/SB 3234 RELATING TO THE STABILIZATION OF PROPERTY INSURANCE

Requires the Insurance Commissioner to conduct a study regarding property insurance stabilization. The focus of the study would be to:

- Identify methods for capitalizing a new condominium insurance fund and the Hawaii property insurance association to enable the fund and association to become insurers of last resort in the State:
- Identify proposed statutory powers necessary for the operations of the new condominium insurance fund:
- Include an assessment of hurricane insurance; and
- Include proposals regarding the enforcement of condominiums to ensure the undertaking of repairs and maintenance of, and improvements to, the condominiums.

The LAC supported this bill.

Status: Unsuccessfully DIED in Conference Committee.

SB 2550 RELATING TO CONDOMINIUMS

Requires the Real Estate Commission to receive and investigate complaints by condominium unit owners against associations via an ombudsman's office. Requires the ombudsman to issue findings within an unspecified number of days after a complaint is filed.

The LAC opposed this bill.

Status: Successfully DIED in Committee—did not receive a hearing.

HB 2681 RELATED TO HOUSING

This bill establishes an ombudsman's office for homeowner associations within the Department of Commerce and Consumer Affairs Office of Consumer Protection. Establishes an Ombudsman's Office Special Fund. It also requires board members of condominium associations, cooperative housing corporations, and planned community associations to meet new educational requirements concerning their duties and relevant state law through classes offered by the ombudsman.

The LAC opposed this bill.

Status: Successfully DIED in Committee—did not receive a hearing

HB 2286 RELATING TO CONDOMINIUM ASSOCIATIONS

This bill requires fees for attorneys retained by a condominium association to be paid from the association's funds or reserves, except in matters involving the collection of delinquent assessments. It prohibits associations from assessing, demanding, or seeking reimbursement from unit owners for legal fees that are in excess of 25% of the original debt. Requires attorneys retained by an association to confine their communications to the board, except when requesting essential information from unit owners, and refrain from billing unit owners directly. Also requires attorneys retained by an association for debt collection purposes to abide by the federal Fair Debt Collection Practices Act, and that certain information to be included in each billing statement sent by the attorneys retained by an association. Clarifies that costs and expenses incurred by or on behalf of an association for foreclosing on a lien must be promptly paid on demand, as long as 30 days have passed since a notice of default and intention to foreclose has been served on a unit owner.

The LAC opposed this bill.

Status: Successfully DIED in Committee.

SB 2493 RELATING TO CONDOMINIUM ASSOCIATIONS

Prohibits condominium associations from assessing, demanding, or seeking reimbursement from a unit owner for the association's total and final legal fees in excess of 25% of the original debt amount sought by the association.

The LAC opposed this bill.

Status: Successfully DIED in Senate.

SB 2404 RELATING TO CONDOMINIUMS

Repeals the requirement that a standard proxy form authorized by the unit owners' association contain a box wherein an owner may indicate that the proxy is given to the board as a whole and that the vote is to be made on the basis of the preference of the majority of the directors present at the meeting.

The LAC opposed this bill.

Status: Successfully DIED in House.

HB 2316 RELATING TO CONDOMINIUMS

Clarifies that, in condominium elections, cumulative voting rights apply to all candidates regardless of whether they are nominated. Clarifies that individual votes are used in cumulative voting.

The LAC monitored this bill.

Status: DIED in Conference Committee.

SB 2600 RELATING TO CONDOMINIUMS

This bill authorizes the use of electronic mail to deliver certain documents when purchasing a condominium.

The LAC monitored this bill.

Status: PASSED, awaiting Governor's signature.

HB 2801 RELATING TO COMMERCIAL PROPERTY ASSESSED FINANCING

This bill allows condominium associations to be eligible for commercial property assessed clean energy and resiliency financing for eligible capital improvements.

The LAC monitored this bill.

Status: PASSED, awaiting Governor's signature.

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