

The CAI Hawaii Legislative Action Committee
Presents the

2025 Legislative Update



COMMUNITY
ASSOCIATIONS INSTITUTE

*Review and Analysis of
Legislative Enactments
and Trends*



HAWAIIAN PROPERTIES, LTD.

Building Relationships That Last

THE LARGEST LOCALLY OWNED ASSOCIATION MANAGEMENT COMPANY IN HAWAII



With over 90 years of proven experience, we're proud to be the most trusted name in association management. Our reputation is built on the strength of our relationships and the high quality service we provide. We currently manage 250 associations on Oahu and 78 in Kona, representing more than 45,000 units. Partner with us for expert support, backed by local expertise and a dedication to your community's success.



AZURE ALA MOANA



VISTA WAIKOLOA



THE PARK ON KEEAUMOKU



ONE ALA MOANA

We take pride in delivering personalized service with a thoughtful touch, backed by professional standards and large company resources:

- Strong team of 37 Property Managers, supported by 30 Administrative and 42 Accounting personnel.
- Association operating funds deposited with one of the highest rated banks - Bank of Hawaii.
- Aggressive follow up on collection of delinquent accounts.
- Full time cash management specialist.
- Property management services tailored to your association's needs.
- "TownSq" - All-in-one community management app. FREE to HP clients.

Scan the QR code for an overview of TownSq's features



HONOLULU OFFICE: 1165 BETHEL STREET, HONOLULU, HI 96813

KAILUA-KONA OFFICE: 75-240 NANI KAILUA DRIVE, SUITE 9, KAILUA-KONA, HAWAII 96740

PHONE: (808) 539-9777 • CALL (808) 539-9502 TO REQUEST A PROPOSAL • WWW.HAWAIIANPROP.COM



TABLE OF CONTENTS

WELCOME	4
CONDOMINIUM BILLS	
HB70 HD1 SD1 CD1	Condominium budget summaries 7
SB385 SD1 HD1 CD1	Electronic Delivery of Governing Documents 8
INSURANCE	
SB752 SD1 HD1 CD1	Insurance cancellation or nonrenewal 8
SB1044 SD2 HD2 CD1	Insurance market stabilization10
MAUI	
HB1001 HD1 SD3 CD1	Maui Wildfires Settlement Trust Fund 16
SB897 SD3 HD2 CD1	Recovery of wildfire costs by utility 16
SB1170 SD2 HD3 CD1	Maui wildfire housing redevelopment 19
SB1296 SD2 HD2 CD1	Maui wildfire exemption from SMA permits 19
CONTRACTOR REPAIR ACT	
HB420 HD3 SD2 CD1	Contractor Repair Act 20
FIREWORKS	
HB550 HD2 SD1 CD1	Feworks arrests 22
HB1483 HD1 SD1 CD1	Fireworks crimes 24
DISCRIMINATION	
SB31 SD2 HD2 CD1	Discriminatory Restrictive Covenants 27
SB116 SD2 HD1	Discriminatory reporting to law enforcement 27
CLIMATE / ENVIRONMENT	
HB 735 HD2 SD1 CD1	Wastewater systems 27
SB15 SD1 HD2 CD1	Definition of historic property 27
SB589 SD1 HD3 CD1	Renewable energy 28
SB946 SD2 HD3	Wastewater discharge 28
SB1396 SD3 HD3 CD1	Transient Accommodation Tax/climate change 28
MISCELLANEOUS	
HB111 (Act 20)	Sex trafficking (affects transient accommodations)28
HB125 HD1 (Act 22)	Storage of firearms 29
HB132 HD1 (Act 5)	Expungement of marijuana arrest records..... 29
HB1120 HD2 SD2	Authority to address nuisances (Dept. of Health) 29
SB281 SD1 HD2 CD1	Torture 30
SB321 SD1 HD2 CD1	Rural roads 30
SB332 SD1 HD3 CD1	Bulk foreclosure sales 30
SB825 SD2 HD2 CD1	Eviction mediation 30

WELCOME TO THE 2024 CAI LEGISLATIVE UPDATE WEBINAR

Thank you for participating in today's review of the 2025 legislative session. Your interest is appreciated. Some bills and issues are sampled on this page. Many more will be discussed.

The legislature took a number of actions this year that are directly or indirectly relevant to community associations. The Governor has yet to act on a number of them at the time this is written, so it is possible that some bills addressed herein may not become law. More current information and greater detail will be provided at today's webinar.

Notably, two-insurance related bills passed. One bill amends the notice period for cancellation or non-renewal. The more substantive bill expands the powers of the Hawaii Property Insurance Association and reactivates the Hawaii Hurricane Relief Fund. A Condominium Loan Program and a Condominium Loan Revolving Fund are established as is a Condominium Loan Loss Reserves Program. The Insurance Commissioner is also directed to study and report on long term solutions to stabilize the insurance market.

Four bills related to the Maui wildfires were passed as well. One establishes a trust fund for claim payments. Another authorizes and requires county planning departments and others to take actions to facilitate rebuilding and recovery. A third bill exempts reconstruction of certain structures from SMA permit requirements in some circumstances. A fourth allows electric cooperatives to recover wildfire mitigation, repair and restoration costs through an automatic rate adjustment or other mechanisms. That bill also limits liability, authorizes charges and creates financing mechanisms.

The condominium statute was amended by a bill requiring the annual budget summary to provide complete information without reference to other documents. A bill requiring the electronic delivery of governing documents to owners and agents at no cost, upon request, also passed. A bill relating to fines and alternative dispute resolution passed the Senate and then passed the House in a different form. The two chambers did not agree on a final form so the bill did not pass.

It is important to keep in mind that the Condominium Property Regime Task Force awaits the outcome of a study by the Legislative Reference Bureau ("LRB"), which is due twenty days before the next legislative session. Task Force recommendations are due to the legislature by June 30, 2026. The LRB study subjects are:

- (1) A condominium ombudsman or similar position to specifically oversee condominiums;
- (2) Required licenses for individuals involved in the management of condominiums;
- (3) The availability of dedicated alternative dispute resolution or similar programs that are specifically for the prevention or resolution of condominium-related disputes and are separate from alternative dispute resolution programs available for other disputes;
- (4) Governmental regulation and enforcement of condominium operations and governance that are separate from an ombudsman referenced in paragraph (1);
- (5) Requirements for owner education at the point of sale of a unit; and
- (6) Requirements for owner access to condominium documents.

It is reasonable to expect some change in condominium law over time. It is unreasonable to imagine that all change can or should be resisted. The CAI Legislative Action Committee seeks to constructively engage with policymakers on potential law changes.

Finding Solutions for Associations

Representing Associations since 1990

- General Counsel
- Covenant Enforcement
- Collection and Foreclosure
- Governing Document Review and Amendment
- Fair Housing
- Design and Construction Defects



Panel Member-Dispute Prevention & Resolution

- Mediator
- Arbitrator
- Early Neutral Evaluation

Expert Witness

- Has testified as an expert in First and Second Circuit Courts

PSN LAW OFFICES OF PHILIP S. NERNEY, LLC



335 Merchant Street #1534, Honolulu, HI 96806 • (808) 537-1777 • www.nerneylaw.com



CONDOMINIUM BILLS

HB70 HD1 SD1 CD1

This bill addresses the budget summary that must be included with an association's budget. Specifically:

The budget summary shall contain all required information without referring the reader to other portions of the budget.

This sentence clarifies that the budget summary is to enable the reader to understand key details about the financial status of an association without referring to other documents. That is, the summary must do more than point out where information can be found. The summary must be the place where the information is presented.

The burden of doing this should be slight. The information to be contained in the summary, per Hawaii Revised Statutes ("HRS") Section 514B-148(a), is as follows:

(1) The estimated revenues and operating expenses of the association;

(2) Disclosure as to whether the budget has been prepared on a cash or accrual basis;

(3) The estimated costs of fire safety equipment or installations that meet the requirements of a building fire and life safety evaluation required by the applicable county for any building located in a county with a population greater than five hundred thousand; provided that the reserve study may forecast a loan or special assessment to fund building fire and life safety components or installation;

(4) The balance of the total replacement reserves fund of the association as of the date of the budget;

(5) The estimated replacement reserves assessments that the association will require to maintain the property based on a reserve study performed by or on behalf of the association; provided that the reserve study, if not prepared by an independent reserve study preparer, shall be reviewed by an independent reserve study preparer ~~[not]~~ no less than every three years; provided further that a managing agent with industry reserve study designations shall not be considered as having a conflict of interest for purposes of this paragraph;

(6) A general explanation of how the estimated replacement reserves assessments are computed and detailing:

(A) The identity, qualifications, and potential conflicts of interest of the person or entity performing the reserve study, update, or any review thereof;

(B) Disclosure of any component of association property omitted from the reserve study and the basis for the omission;

(C) Planned increases in the estimated replacement reserve assessments over the thirty-year plan; and

(D) Whether the actual estimated replacement reserves assessments for the prior year as defined in the study ~~[was]~~ were less than the assessments provided for in the reserve study, and, if so, by how much, and explaining the impact of the lesser assessments on future estimated replacement reserves assessments;

(7) The amount the association must collect for the fiscal year to fund the estimated replacement reserves assessments; and

(8) Information as to whether the amount the association must collect for the fiscal year to fund the estimated replacement reserves assessments was calculated using a per cent funded or cash flow plan. The method or plan shall not circumvent the estimated replacement reserves assessments amount determined by the reserve study pursuant to paragraph (5).

The required information is available to be summarized, because it is budgetary information. The summary allows the casual reader to focus on key points without being obliged to wade through all of the budgetary details.

The bill also amends Hawaii Revised Statutes Section 514B-148(g) to provide that any unit owner can sue and obtain injunctive relief to enforce compliance:

~~“(g) [Subject to the procedures of section 514B-157 and any rules adopted by the commission, any unit owner whose association board fails to comply with this section may enforce compliance by the board. In any proceeding to enforce compliance, a board that has not prepared an annual operating budget and reserve study shall have the burden of proving it has complied with~~

~~this section.] Any unit owner shall have standing to bring an action alleging a violation of this section against an association that the unit owner is a member of, and may seek an injunction to enforce compliance with this section by the association's board."~~

The practical effect of the bill is to require boards to focus on, and to comply with, the budget summary requirement contained in law. The failure to do so may be consequential.

SB385 SD1 HD1 CD1

This bill adds a new section to Chapter 514B of the Hawaii Revised Statutes. The new section reads as follows:

"§514B Governing documents; electronic copies. (a) Notwithstanding any other provision to the contrary in the declaration, bylaws, or house rules, an association shall provide an electronic copy of its governing documents, as amended or restated, to a unit owner or the unit owner's authorized agent, upon request, at no cost to the unit owner or the unit owner's authorized agent.

(b) For the purposes of this section, "governing documents" means the declaration; bylaws; covenants, conditions, and restrictions; and house rules."

Note the word "shall" in the new section. The word "shall" is a word of command, which merits a compulsory meaning. Said differently, compliance is mandatory not discretionary. See, e.g., Leslie v. Board of Appeals, 109 Hawaii 384, 393, 126 P.3d 1071, 1080 (2006); Campos v. Planning Comm'n of the Cnty. of Kauai, 153 Hawai'i 386, 539 P.3d 170 (App. 2023).

This means that every association must assure itself that it has a complete set of governing documents available at all times, in electronic form. Some associations may be surprised to find a previously undiscovered amendment, so it may be prudent to work with a title company to obtain a complete set of recorded documents. Keep in mind that, per Hawaii Revised Statutes Section 514B-10(c): "Any right or obligation declared by this chapter is enforceable by judicial proceeding."

Another aspect of the bill is to repeal the authority of an association to charge a fee for administrative costs

associated with the handling of a request for association documents identified in Hawaii Revised Statutes Section 514B-154.5(a). A reasonable fee for duplication, postage and stationary is allowed. The bill does not expressly address the language in Hawaii Revised Statutes Section 514B-154.5(a)(10)(B) that reads: "Unit owners or owners' authorized agents shall pay for administrative costs in excess of eight hours per year[.]"

INSURANCE

SB752 SD1 HD1 CD1

Beginning 1/1/2026, amends the notice period for a property insurer to notify a policyholder of a cancellation, including cancellation due to nonpayment, or nonrenewal of a policy of property insurance. (CD1)

The substantive content of the bill is contained in the amendment of the following statute as stated:

"[§431:10-226.5] Notice of cancellation or nonrenewal[.—In]; notice of cancellation or nonrenewal for policies of property insurance. (a) Except as provided in subsection (b), in the case of cancellation of a policy, the insurer shall give written notice to the insured not fewer than ten days [prior to] before the effective date of cancellation. For nonrenewal of a policy, the insurer shall give written notice to the insured not fewer than thirty days [prior to] before the effective date of nonrenewal. If under title 24 or a policy, a longer time period is required for a notice of cancellation or nonrenewal for the policy, the longer period shall be applicable. Cancellation or nonrenewal shall not be deemed valid unless evidence of mailing the written notice is provided.

(b) This subsection shall only apply to policies of insurance on property used for residential purposes, including multi-family residential properties. In the case of cancellation of a policy, the property insurer shall give written notice to the insured not fewer than twenty days before the effective date of cancellation. In the case of cancellation of a policy due to nonpayment of premium or material misrepresentation, the property insurer shall give written notice to the insured not fewer than ten days before the effective date of cancellation. For nonrenewal of



STEERING YOUR PROJECT TO A SUCCESSFUL FINISH

The team at Bergeman Group is here to help you understand the scope of your project needs, provide you with viable repair options, and help you manage the construction process.

To learn more about us and our services, contact us for a **FREE, NO OBLIGATION** consultation.



bergemangroup.com

HAWAII'S CONSTRUCTION MANAGEMENT ADVISORS

Helping AOAOs, Property Managers, Owners & Attorneys with repair & improvement projects.

812 Ilaniwai Street • Honolulu, Hawaii 96813 • 808.465.3555 • info@bergemangroup.com

a policy, the property insurer shall give written notice to the insured not fewer than thirty days before the effective date of nonrenewal. If under title 24 or a policy, a longer time period is required for a notice of cancellation or nonrenewal for the policy, the longer period shall be applicable; provided that the longer period shall be applicable only to the insurer. Cancellation or nonrenewal shall not be deemed valid unless evidence of mailing the written notice is provided.”

The bill requires 20 days prior notice to cancel, except 10 days’ notice is required if cancelled for nonpayment. For nonrenewal, 30 days’ prior notice is required.

SB1044 SD2 HD2 CD1

Expands the powers of the Hawaii Property Insurance Association and reactivates the Hawaii Hurricane Relief Fund to help stabilize the property insurance market in the State. Establishes the Condominium Loan Program and

the Condominium Loan Revolving Fund, to be administered by the Hawaii Green Infrastructure Authority on behalf of the Department of Business, Economic Development, and Tourism, for the purpose of providing financing for essential repairs and deferred maintenance to condominium associations. Abolishes the Condominium Loan Revolving Fund on 6/30/2047. Establishes the Condominium Loan Loss Reserves Program to incentivize lenders to provide loans at competitive rates and terms to allow condominium associations to make necessary maintenance and repairs. Requires the Insurance Commissioner to conduct a study to develop long-term solutions to help stabilize the property insurance market in the State. Requires reports to the Legislature. Authorizes the issuance of reimbursable general obligation bonds to facilitate the initial issuance of policies to condominium associations. Appropriates funds. (CD1)

This bill contains over 11 pages of legislative findings and commentary including:



Community Association Management delivering

- Integrity
- Service
- Commitment

Honolulu, Hawaii
(808) 566-4100

TOUCHSTONE
PROPERTIES, LTD.

Serving Hawaii's Condominium Associations Since 1990
680 Iwilei Road Suite 777 • Honolulu Hawaii 96817

www.TouchstoneProperties-Hawaii.com

Accordingly, this Act authorizes the Hawaii property insurance association to provide additional insurance coverage within the State for certain categories of properties if the Hawaii property insurance association and insurance commissioner determine that those categories of properties are experiencing a casualty and property insurance market failure. This authority will provide the Hawaii property insurance association with the flexibility to quickly address potential future disruptions in the insurance market. This flexibility is critical to ensure that Hawaii residents living in non-condominium properties such as single-family homes and townhouses are protected following unexpected disasters that could otherwise increase the cost of insurance to the point where residents cannot afford to continue living in their homes or in the State.

And:

This Act is a stop-gap measure to provide insurance availability for condominium

associations that are unable to purchase adequate property insurance for their respective condominium buildings that are in insurable condition. Condominium associations that apply for coverage through the Hawaii property insurance association will need to pay premiums that are sufficient to cover the condominium association's exposure to losses. This measure is not designed to be a long-term solution, and therefore the legislature has imposed a one-time five-year coverage period and commissioned a study to recommend long-term solutions to stabilize the property insurance market in the State. To that end, in addition to providing for the issuance of short-term property insurance coverage, this Act also effectively requires the insurance commissioner to conduct a study to develop a long-term solution. The legislature notes that a long-term solution may potentially include the issuance of property insurance policies for condominium buildings that are in need of repair or replacement of components.

Accordingly, the purpose of this Act is to:

Ekimoto & Morris
A Limited Liability Law Company

Advising Boards on Managing and Operating Their Association

- Recommending actions to reduce the risk of claims
- Answering day-to-day questions on legal issues
- Interpreting and amending documents
- Enforcing Covenants
- Collecting delinquencies
- Lease-to-fee Conversions
- Lease rent renegotiation

MEMBER OF
community
ASSOCIATIONS INSTITUTE

www.hawaiicondolaw.com

888 Mililani Street • 2nd Floor • Honolulu, HI 96813 (808) 523-0702 (voice) • (808) 538-1927 (fax)



THE RICKEL LAW FIRM, P.C.
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
A CENTENNIAL LAW FIRM - SINCE 1899

www.RickellLaw.com



ASSOCIATION COUNSEL ASSOCIATION COLLECTIONS

Professional - Respectful - Cost-Effective



ONYX - Optimized for computers and mobile devices.



www.RickellLaw.com

808-427-9757

855-752-7156

(1) Amend state laws governing the Hawaii property insurance association and the Hawaii hurricane relief fund to enable these entities to underwrite certain insurance risks in the State that no standard insurer is currently willing to underwrite;

(2) Establish a condominium loan program and condominium loan revolving fund to provide qualified condominium associations with low-cost financing or refinancing for maintenance or repair projects;

(3) Establish a condominium loan loss reserves program to incentivize community development financial institutions to provide loans at competitive rates and terms to condominium associations to allow the associations to perform necessary maintenance or make repairs;

(4) Require the insurance commissioner to conduct a study to monitor and identify the most effective methods of stabilizing the property insurance market in the State; and

(5) Appropriate funds.

This bill requires that the Hawaii Property Insurance Association (“HPIA”)

Establish in the plan of operation a maximum period of time during which a high-rise condominium association may be eligible to be insured by the association, which shall not exceed sixty months;

And:

“High-rise condominium” means a condominium that has four or more stories that contain units that are or can be occupied by a person.

The plan of operation is required to contain 17 numbered items, plus subparts, intended to enable effective administration of HPIA and to provide the mandated service, including that it:

(15) Shall require, prior to issuance or renewal of coverage, the applicant for condominium property insurance coverage or renewal to:

(A) Provide the following to the association:

(i) The condominium association’s declarations, bylaws, or other documents that

MEDIATION – ARBITRATION – FACILITATION



DON'T LEAVE IT ALL UP TO CHANCE.

There's no disputing the commitment that DPR brings to the resolution of legal and business disputes. Our skilled and distinguished ADR professionals provide effective, impartial and proven dispute resolution through mediation, arbitration and facilitation. We've successfully resolved thousands of commercial, construction, insurance, family and personal injury matters.

When it comes to managing your case and resolving disputes,

DPR is your solution. Give us a call at 523-1234

or visit us online at dprhawaii.com to learn more.

Dispute Prevention & Resolution, Inc.

1003 Bishop, Suite 1155, Pauahi Tower • 808-523-1234 • dprhawaii.com

Keith W Hunter, President/CEO keithhunter@dprhawaii.com



Vertical Hawaii

Home Inspections & Reserve Studies, LLC

Vertical Hawaii brings more than a decade of industry experience to your community association. Our comprehensive approach to reserve studies provides assurance that your community is properly funded to handle capital expenditures.

Vertical Hawaii's expertise provides thorough consultation and strategic advice to ensure a properly funded reserve study to plan for future capital expenditures and minimize the risk of a special assessment. Vertical Hawaii excels in services such as Reserve Study Preparation, Roof Inspections, High Risk Component Inspections, Association Consultation, Board Education, and Expert Witness work.

Contact
Us Today

Contact Vertical Hawaii today to bring unparalleled expertise to your property needs backed by industry-leading training, certifications, and experience.



(808) 426-6412 jonathan@verticalhi.com www.verticalhi.com

describe the condominium association's process for paying claims, including the portion of the claim to be paid by the condominium association and the portion to be paid by each unit owner; and

(ii) The condominium association's declarations, bylaws, or other documents that describe the condominium association's process for handling losses both pursuant to the applicable master policy and by the applicable condominium association;

(B) Cause to be completed an inspection of the applicable condominium; provided that the inspection shall be consistent with any inspection and reporting standards established by the board of directors of the association and incorporated into the plan of operation pursuant to paragraph (8); and

(C) Satisfy any relevant requirements established by the board of directors of the association and incorporated into the plan of operation;

(16) May prohibit coverage under this article for any high-rise condominium for which the association or its servicing entities or any agents thereof have identified maintenance issues that materially affect the insurability of the high-rise condominium for the type of coverage being sought;

If a condominium is eligible, then:

“§431:21-109 Insurance coverages available under plan. ~~(a)~~ All properties qualifying for coverage under the plan of operation shall be eligible for the standard fire policy and extended coverage endorsement. The association shall provide additional coverages when directed by the commissioner or when approved by the commissioner. Nothing in this section shall be construed as authorizing the association to provide hurricane coverage.

HPIA member insurance companies pay assessments to HPIA, which are recouped through “a surcharge on premiums charged by the member insurer for property and casualty insurance,” of not more than two percent of a policy premium. The Hawaii Hurricane Relief Fund (“HHRF”) is similarly empowered to allow insurers to recoup assessments paid to that fund.

The HHRF board may:

...activate, reduce, or terminate the collection of a temporary recording fee as provided in this section.

(b) The temporary recording fee shall be imposed on each document that is recorded with the bureau of conveyances or filed with the assistant registrar of the land court of the State.

(c) If the board establishes or reactivates the temporary recording fee, the board shall:

(1) Set the amount of the fee; provided that the amount shall not exceed \$44 per document recorded with the bureau of conveyances or filed with the assistant registrar of the land court of the State; and

(2) Establish the period of time during which the fee shall be collected; provided that the time period shall not exceed thirty-six months.

Recordings for parcels in the agricultural land use district are exempt from this temporary fee.

Property eligible to be insured by HHRF includes:

“(5) A condominium that may include tangible personal property located therein or thereon and other structures at the insured location, as provided in the plan of operation or any manual of rules and rates adopted under the plan of operation.” That said, “Any applicant for insurance from the fund shall provide proof, to the satisfaction of the board, of the inability to obtain hurricane property insurance from insurers licensed to transact business in the State.”

The HHRF plan of operation:

(14) Shall require, prior to issuance or renewal of coverage, the applicant for condominium insurance coverage or renewal to:

(A) Cause to be completed an inspection of the applicable condominium; provided that the inspection shall be consistent with any inspection and reporting standards established by the board and incorporated into the plan of operation; and

(B) Satisfy any relevant requirements established by the board and incorporated into the plan of operation; and

(15) May prohibit coverage under this chapter for any high-rise condominium for which the fund or its servicing entities or any agents thereof have

identified maintenance issues materially affecting the insurability of the high-rise condominium for hurricane property insurance.”

And:

“(b) ~~[The]~~ Except for:

(1) Applicants who are otherwise able to procure hurricane property insurance from insurers authorized to transact business in the State; and

(2) Properties that are deemed ineligible pursuant to the plan of operation, the fund shall not deny any application for hurricane property insurance on any property eligible under subsection (a).”

The bill also adds a chapter to the Hawaii Revised Statutes titled *Financing for Condominiums*. The Hawaii green infrastructure authority is the “authority” for the financing programs.

§ -3 Condominium loan program. There is established within the authority the condominium loan program to provide qualified condominium associations with low-cost financing, or refinancing for loans previously obtained, for maintenance or repair projects in accordance with this part.

A condominium loan revolving fund is established as a source for loan funds. The following criteria apply:

§ -5 Loans; limitations and conditions. (a) Loans under this chapter shall be for financing, or refinancing previous loans that were used for, the following maintenance or repairs in a condominium project:

(1) Installing, repairing, or replacing fire sprinklers or other fire safety measures;

(2) Repairing or replacing the pipes;

(3) Repairing or replacing the roof;

or

(4) Any other maintenance or repairs the authority deems qualified for the loans.

(b) The loan agreement shall require that the qualified condominium association increase its replacement reserves fund balance over the term of the loan.

(c) Any loan provided under this chapter shall have a term of not more than twenty years.



Protecting Your Association

Ms. Lan consults and advises on corporate, real estate, construction and other legal issues facing condominium and homeowners' associations, including collection/foreclosure and dispute resolution/litigation. With years of experience, she understands the issues impacting Hawaii's homeowner and condominium associations.

- Full legal services to condominium and community associations
- Quality work delivered in a timely manner to meet your fast-paced operation
- Dedication to problem solving in the most cost-efficient way
- Experienced team of legal professionals – real estate, construction, corporate and litigation attorneys to help you prevent and resolve disputes
- Free Legal Alert newsletters to keep you updated on new law and hot issues
- Selected for inclusion in the 2025 edition of *The Best Lawyers in America* for Community Association Law, Real Estate Law, and Business Organizations (including LLCs & Partnerships)

Na Lan | Office: (808) 531-8031 • Direct: (808) 526-3617
Director | Email: nl@hawaiilawyer.com

DAMON KEY LEONG KUPCHAK HASTER
hawaiilawyer.com®
1003 Bishop St., Ste. 1600 • Honolulu, HI 96813 • www.hawaiilawyer.com



Hawaii's Best Association Management Company

Source: Google score Associa Hawaii
4.6 out of 5 Stars, 1,180 reviews

U.S. Best Managed Company
5-year Honoree by Deloitte Private and
The Wall Street Journal

Phyllis O. Kacher, CPM®, R®, RB-14949
Chief Business Development Officer/Principal Broker
phyllis@associahawaii.com
808-837-5273

Associa® Hawaii
www.associahawaii.com

2024 BEST MANAGED COMPANIES
Recognizing private company success
GOLD WINNER

Great Place To Work®
Certified
AUG 2024-AUG 2025
USA

No new loan under this chapter shall be issued after June 30, 2027.

§ -6 Loans; eligibility. The authority may make loans directly to a condominium association that has:

(1) Received at least one letter from a financial institution declining its eligibility for a loan to address maintenance or insurance coverage issues; and

(2) Obtained full replacement property and hurricane insurance coverage or intends to do so as a condition of any financing received.

Note that no new loan shall be issued after June 30, 2027, so prompt action is required.

A condominium loan loss reserves program is also established: “to incentivize community development financial institutions, in accordance with this part, to provide loans at competitive rates and terms to condominium associations for the purpose of allowing condominium associations to perform maintenance or make necessary repairs.

Also, the Insurance Commissioner “commissioner shall conduct a study to identify or develop a long-term solution to stabilize the property insurance market in the State.”

MAUI

HB1001 HD1 SD3 CD1

Establishes the Maui Wildfires Settlement Trust Fund to be administered by the Attorney General. Appropriates funds to fund the settlement of claims related to the 2023 Maui wildfires. (CD1)

Effective July 1, 2025, a trust fund will be established to enable payment of the State of Hawaii’s portion of the Maui wildfire settlement.

The legislature further finds that the Maui wildfires settlement agreements reached in November 2024 aim to resolve lawsuits related to the 2023 Maui wildfires. Under the proposed terms of the Maui wildfires settlement agreements, the seven defendants – the State of

Hawaii, county of Maui, Hawaiian Electric, Kamehameha Schools, Charter Communications/Spectrum, Hawaiian Telcom, and West Maui Land Company - collectively agreed to pay \$4,037,000,000 to provide compensation to the approximately two thousand two hundred affected parties who filed lawsuits. The State’s contribution is approximately \$807,500,000, to be paid over four years. The State’s settlement amount is in addition to the State’s \$65,000,000 contribution to the One Ohana Fund for wildfire assistance. ***

There is appropriated out of the general revenues of the State of Hawaii the sum of \$400,000,000 or so much thereof as may be necessary for fiscal year 2025-2026 and the sum of \$407,500,000 or so much thereof as may be necessary for fiscal year 2026-2027.

It is reasonable to wonder whether \$807,500,000 could have been better spent on prevention before lives and property were lost. It is reasonable to wonder how best to address environmental conditions that could lead to another major disaster.

SB897 SD3 HD2 CD1

Allows electric cooperatives to recover wildfire mitigation, repair, and restoration costs through an automatic rate adjustment or other mechanism. Requires the Public Utilities Commission to initiate a proceeding for the adoption of rules, subject to the Governor’s approval, to determine an aggregate limit for liability for economic damages from a covered catastrophic wildfire. Authorizes securitization of certain costs for electric utilities. Requires the Public Utilities Commission to conduct studies on whether the framework established in the measure adequately balances electric utility interests and compensation owed to catastrophic wildfire victims and on the establishment and implementation of a wildfire recovery fund and report its findings and recommendations to the Legislature. Appropriates moneys. (CD1)

This bill is in reaction to the Maui wildfires. Among other things, it authorizes the Public Utilities Commission to cap the exposure of electric utilities to claims arising from

CRACKING THE CODE TO
HAWAI'I'S CONSTRUCTION DEFECTS

WE ARE DEFECT ATTORNEYS

KASDAN
TURNER
THOMSON
BOOTH LLLC

CONSTRUCTION DEFECT
CLASS ACTION
CONSUMER LITIGATION

Shortcuts, design flaws, cost cutting, defective products, and sloppy construction all cause defects in high-rises, townhouses, condos, and single family homes. Call us today and **ask about our FREE Property Condition Assessment Program.**



Kenneth S. Kasdan, Esq.
Senior Partner

Ken is one of the nation's leading construction defect attorneys.



Ritchie Lipson
Executive Director of
Client Relations

808.754.4336
rlipson@kasdancdlawhawaii.com

KASDANCDLAWHAWAII.COM

808.369.8393 | 1003 Bishop St., Suite 1180 | Honolulu, HI 96813

HAWAI'I* ■ ARIZONA ■ CALIFORNIA ■ NEW MEXICO

*In affiliation with Kasdan Turner Thomson Booth LLP

catastrophic wildfires.

§269-B Determination of limitation on liability.

(a) The commission shall initiate a proceeding for the adoption of rules pursuant to chapter 91 to establish the maximum amount each electric utility may pay to resolve claims arising from any covered catastrophic wildfires, as defined in section 663- , for set periods of time established by rules in accordance with this section. The commission shall have sole discretion to establish the maximum payable amounts and applicable periods of time. The rules adopted by the commission under this section shall have the force and effect of law.

The Public Utilities Commission must adopt the rules in relation to 14 prescribed factors. The factors include, among other things, consideration of alternative means of setting the liability limit as well as consideration of the viability and needs of the utilities, impacts on the insurance market, and the interests of both the rate payers and potential future litigants.

The rules must be approved by the Governor to come into effect. The Supreme Court of Hawaii is granted original jurisdiction over any challenge to the validity of the rules, and is directed to prioritize resolution of any such challenge over all other civil and administrative matters. The “maximum payable amounts established by the rules shall be conclusive and not subject to judicial review.”

“§663- Limitation on aggregate liability; electric utilities. (a) The aggregate liability of an electric utility, including its affiliates, collectively, for qualifying damages arising from a covered catastrophic wildfire shall not exceed the least of the maximum payable amount authorized by the rules, adopted pursuant to section 269-B, for either the set period of time in which the covered catastrophic wildfire began or per event, as determined by the commission, or for the remainder of the maximum payable amount to the extent that the electric utility has already paid qualifying damages for the same time period or event.

(b) An electric utility that seeks to assert the limitation on aggregate liability set forth in subsection (a) shall:

(1) Have a wildfire mitigation plan, as defined in section 269-B, that is approved by

the commission and shall have sought and received a determination from the commission that the plan is being implemented on the timeline approved by the commission; and

(2) Be in full compliance with any conditions and reporting requirements established by rule pursuant to subsection 269-B(c).

Qualifying damages are defined as follows:

“Qualifying damages” means economic damages arising out of the loss of or damage to real or personal property from a covered catastrophic wildfire. “Qualifying damages” does not include claims for physical bodily harm or emotional harm.”

Covered catastrophic wildfire is defined as follows:

“Covered catastrophic wildfire” means a catastrophic wildfire that may have been caused, or whose severity may have been increased, by an electric utility’s facilities or actions.

In the event of litigation:

.The court shall not approve any settlement or judgment that would cause the aggregate liability of electric utilities to exceed the aggregate liability limit prescribed by the commission if the utility is entitled to invoke the limitation under subsection (a). No liability allocable to the electric utility that is not payable because of the aggregate liability limit shall be shifted, in any manner, to any other alleged tortfeasor or obligor.

So, utilities receive limited liability in exchange for risk mitigation efforts. Extensive provisions relating to the financing of system improvements are included in the bill. Rate payers will pay for the improvements.

(g) Infrastructure resilience charges and any associated fixed recovery tax amounts shall be imposed only on existing and future consumers in the utility service territory of the electric utility that is subject to such financing order. Consumers within the utility service territory of the electric utility that are subject to the financing order shall continue to pay infrastructure resilience charges and any associated fixed recovery tax amounts until the bonds and associated financing costs are paid in full by the financing entity.

SB1170 SD2 HD3 CD1

Authorizes the director of a county planning department to issue a special management area use permit to redevelop permanent affordable multi-family rental housing that has been substantially destroyed as result of certain natural disasters, with certain exceptions. Permits county planning departments and any other applicable state or county department or agency to amend or modify final plans and specifications for redevelopment of an existing experimental and demonstration housing project, with certain restrictions. Requires county planning departments and any other applicable state or county department or agency to prioritize approving permits for the redevelopment of permanent affordable multi-family rental housing in special management areas, under certain circumstances. Exempts permanently affordable multi-family rental housing projects within a special management area that are being redeveloped and are located on properties or districts on the state or national historic register from environmental impact statement requirements. (CD1)

The sections of the bill allowing issuance of an SMA permit for certain redevelopment activities, and allowing for the reconstruction of certain experimental and demonstration housing projects, both state that:

“This section shall not apply to parcels on the shoreline or parcels impacted by waves, storm surges, high tide, or shoreline erosion.”

After an SMA use permit is issued, counties “shall

prioritize approving permits to redevelop the permanent affordable multi-family rental housing.” Certain permanently affordable multi-family rental housing projects being redeveloped pursuant to an SMA use permit that are located on properties or districts on the Hawaii or national register of historic places shall be exempt from environmental impact statement requirements.

SB1296 SD2 HD2 CD1

After finding that special controls on development in coastal zones is necessary:

The legislature further finds that the 2023 Maui wildfires devastated Lahaina’s heritage, economy, and sense of place, and has deeply affected housing, businesses, jobs, and treasured resources. If the area is not rebuilt in a deliberate, coordinated, and expeditious manner, the area may languish in the long term, further affecting the well-being of the land, the people, and the economy. However, there is an opportunity to rebuild Lahaina and the other parts of Maui that the wildfires destroyed, as recognized in the Presidential Disaster Declaration, by preserving and reintroducing its valued resources in a manner that reflects the values and priorities of its residents and businesses, and addressing future challenges, including climate change and affordable housing.

Accordingly, the purpose of this Act is to facilitate recovery efforts on Maui and other disaster-affected areas by exempting the reconstruction of any lawfully constructed structure destroyed in a disaster proclaimed by the governor to constitute a state of emergency or a disaster declared pursuant to federal law from the



PKK
PORTER • KIAKONA • KOPPER • LLP

841 Bishop Street, Suite 1500
Honolulu, Hawaii 96813
(808) 539-1100
www.HawaiiLegal.com

Committed Advocacy. Wise Counsel. Strategic Solutions.

Delivering results that meet legal and business goals, Porter Kiakona Kopper, LLP is widely recognized as one of the top law firms for condominium and homeowners’ associations throughout the Hawaiian Islands.

Our services include:

- Mediation, arbitration and litigation
- Negotiation of service contracts
- Review and amendment of governing documents
- Enforcement of association rules and covenants
- Collection of association assessments
- Other general legal counsel



requirements of a special management area minor permit or a special management area use permit under certain conditions.

Thus, with respect to coastal zone management, the definition of “development” has been amended to exclude:

(W) Reconstruction of any lawfully constructed structure that was damaged or destroyed in a disaster proclaimed by the governor to constitute a state of emergency pursuant to chapter 127A, or a disaster declared pursuant to federal law; provided that:

(i) The structure is not situated on a shoreline parcel or a parcel that is impacted by waves, storm surges, high tide, or shoreline erosion;

(ii) Reconstruction commences within six years from the date that the proclamation is issued; and

(iii) The reconstructed structure is similar to its original footprint or overall dimensions that were existing or permitted and in compliance with the requirements of floodplain management standards;

HB420 HD3 SD2 CD1

Clarifies that the statute of repose applies to contract, tort, and statutory claims. Clarifies the required contents of a notice of claim of a construction defect served on a contractor. Clarifies the process and time frame by which a claimant may accept or reject a contractor’s offer to settle and authorize repairs. Clarifies the mediation process for construction defect claims. Clarifies the statute of limitation or repose for construction defect claims. (CD1)

Developers and contractors put the original form of this bill forward on the theory that design and construction defect claims delay projects and increase the cost of housing. They portrayed themselves in positive terms. Attorneys who represent associations seeking recovery for design and/or construction defects were portrayed in negative terms.

Opponents of the bill argued that the bill would relieve developers and contractors of liability for design and construction defects and shift the cost and consequences

of such defects onto homeowners. Thus, while the initial cost of housing might possibly be less, the ongoing cost of ownership would be higher because homeowners would be obligated to pay to repair defects that developers and contractors would no longer be obligated to fix.

The initial version of the bill was amended by each of the three House of Representative committees to consider it. That is signified by “HD3” in the bill number. Both Senate committees that heard it amended it (“SD2”). The bill then went to conference committee to reconcile the different versions passed by each legislative chamber (“CD1”).

The bill that passed amends the statutory period within which an action for damages based on construction to improve real property must be commenced. The Contractor Repair Act is also amended.

The statute that governs when an action for damages based on construction to improve real property must be commenced is Section 657-8 of the Hawaii Revised Statutes. Changes to that statute must be carefully considered because earlier versions have twice been held to be unconstitutional.

The first time the Supreme Court of Hawaii held a version of the statute to be unconstitutional, it said, among other things, that:

We have said that ‘what is prohibited by the equal protection guaranty is class legislation, discriminating against some and favoring others. The guaranty was not intended to take from the states the right and power to classify the subjects of legislation, provided such classification of persons and things is reasonable for the purpose of legislation.’ State v. Johnston, 51 Haw. 195, 203, 456 P.2d 805, 810 (1969), appeal dismissed, 397 U.S. 336, 90 S.Ct. 1152, 25 L.Ed.2d 352 (1970).

We also said that ‘in exercising this right to classify in order to achieve social goals the legislature may not act arbitrarily; that is, the classification of a particular group as a subject for regulation must be reasonable in relation to the purpose of the legislation.’ Hasegawa v. Maui Pineapple Co., 52 Haw. 327, 439, 475 P.2d 679, 681 (1970).



Hawaiiana Management Company, Ltd. has been committed to protecting the interests and well-being of Hawaii's homeowners since 1964. We actively monitor state legislation and advocate for policies that best support condominiums, community associations, and homeowner associations across the islands.

Hawaiiana is proud to be an active member of
CAI's Legislative Action Committee.



Contact: Mele Heresa, CCIM®, CPM®
Ph: 808-593-6827 | meleh@hmcmgt.com
RB# 21752 | www.hmcmgt.com

Hawaiiana Management Company, Ltd.

Fujioka v. Kam, 55 Haw. 7, 514 P.2d 568, 570-71 (Haw. 1973). The United States Supreme Court was cited in that case as stating in a separate matter that:

Immunity granted to a class, however limited, having the effect to deprive another class, however limited of a personal or property right, is just as clearly a denial of equal protection of the laws to the latter class as if the immunity were in favor of, or the deprivation of right permitted working against, a larger class. Truax v. Corrigan, 257 U.S. 312, 333, 42 S.Ct. 124, 130, 66 L.Ed. 254 (1921).

514 P.2d at 571. Another version of Section 657-8 was later invalidated in Shibuya v. Architects Hawaii, Ltd., 65 Haw. 26, 647 P.2d 276, 288 (Haw. 1982). In that case, the Supreme Court of Hawaii stated, among other things, that:

The bestowal of immunity here on the basis of construction industry membership or alliance “does not rest upon some reasonable consideration of differences (between the classes under the same circumstances), which have a fair and substantial relation to the object of the legislation.” Fujioka v. Kam, 55 Haw. at 12, 514 P.2d at 571. Equal protection being a requisite “both in the privileges conferred and in the liabilities imposed,” State v. Johnston, 51 Haw. 195, 202, 456 P.2d 805, 809 (1969), appeal dismissed, 397 U.S. 336, 90 S.Ct. 1152, 25 L.Ed.2d 352[65 Haw. 44] (1970), HRS § 657-8 is constitutionally infirm.

The decision here rests on our reading of Article I, § 5 of the Constitution of the State of Hawaii, though we have sought guidance from the decisions of the Supreme Court on equal protection under the Fifth and Fourteenth Amendments.

The bill therefore amends Section 657-8 against a background of constitutional challenges on equal protection grounds.

The bill’s first change is to establish that an action subject to the statute includes claims based “in contract, tort, statute, or otherwise[.]” This means that the applicable limitations period covers all potential theories of recovery relative to a claim “arising out of any deficiency or neglect

in the planning, design, construction, supervision and administering of construction, and observation of construction relating to an improvement to real property[.]”

Thus, a claim may be subject to a two-year statute of limitation or a six-year statute of limitation depending upon the nature of the claim. Questions about when a claim must be asserted can arise, so in order to place a final limit the statute includes a statute of repose. That is, regardless of any other consideration, a claim subject to the statute must be commenced within “ten years after the date of completion of the improvement.” This final limit is referred to as a statute of repose.

If the improvement consists of multiple buildings or improvements, each building or improvement shall be considered as a separate improvement for the purpose of determining the limitations period set forth in this section.

HB420 HD3 SD2 CD1 also amends the Contractor Repair Act. That Act has governed the procedure for presenting and seeking to resolve a design/construction claim since 2004.

Claimants must now provide greater detail and produce available evidence when making the claim. Access to the premises is to be provided and an inspection period is limited to nine months. The time to complete mediation is set at 12 months and limited to a single mediation effort.

Completion of the prescribed process is generally required, but an action may be filed before completion if a statute of limitations will expire within six months. An action filed to preserve the statute of limitations will, however, be stayed pending completion of the statutory process.

FIREWORKS

HB550 HD2 SD1 CD1

Allows recordings made by law enforcement agencies who are using, controlling, or operating unmanned aerial vehicles to establish probable cause for arrests under the Fireworks Control Law if the unmanned aerial vehicle is recording directly above public property and the act leading to the arrest is committed on public property. (CD1)



See why hundreds of community associations
have trusted Atlas with their insurance needs.



**Contact us for a free comprehensive
exposure, coverage, and cost analysis!**

Sean Satterfield, AOA Business Development Director
ssatterfield@atlasinsurance.com | (808) 533-8682

Specifically, Hawaii Revised Statutes Section 132-20 is substantively amended by enlarging the “facts and circumstances to establish probable cause for” a fireworks arrest to include:

(c) Video recordings or other recordings made by a law enforcement agency using, controlling, or operating an unmanned aerial vehicle may be used to establish probable cause pursuant to chapter 803 for an arrest if:

(1) The unmanned aerial vehicle is recording directly above a public park, street, sidewalk, or easement, or any public property; and

(2) The act leading to the arrest is committed on a public park, street, sidewalk, or easement, or any public property.

Drone video may now suffice to support an arrest for acts committed on public property. This may be useful to control illegal fireworks in streets and other areas adjacent to association property.

HB1483 HD1 SD1 CD1

Establishes various criminal offenses and penalties related to fireworks or articles pyrotechnic. Amends multiple definitions and penalties for fireworks offenses, including heightened penalties if another person suffers substantial bodily injury, serious bodily injury, or death as a result of the fireworks offenses. Adds fireworks infractions to the existing adjudication of infractions process for traffic and emergency period infractions. (CD1)

This 89-page bill references the “New Year’s Eve explosion of 2024” and provides a robust response. Some, but not all, of the features of the bill are referenced below:

“§132D-A General fireworks or articles pyrotechnic prohibitions in the second degree.

(a) A person commits the offense of general fireworks or articles pyrotechnic prohibitions in the second degree if, without a permit issued pursuant to sections 132D-10 and 132D-16, the person intentionally, knowingly, or recklessly:



Since 1969

Comprehensive coverage
for community associations

**We offer a no-obligation review of
your current insurance program.**

As the largest provider of community association insurance in Hawaii, it is a privilege to serve our community knowing that we help find the best insurance coverage for any association size. Every association has a unique set of circumstances and it's important to work with a team of specialists who understand your property's complexities.



Our Condo Association Specialist Group is here to serve you.

Mike Ayson | Josh German | Melissa Moore | Rudy Savio | Surita Savio | Krystyn Weeks
Contact Sue Savio at (808) 526-9271 to discuss your association's needs.

(1) Sets off, ignites, discharges, or otherwise causes to explode any aerial devices, articles pyrotechnic, or display fireworks:

(A) Within one thousand feet of any operating hospital, licensed convalescent home, licensed home for the elderly, zoo, licensed animal shelter, or licensed animal hospital;

(B) In any school building, or on any school grounds or yards without first obtaining authorization from appropriate school officials;

(C) On any highway, alley, street, sidewalk, other public way, or public beach;

(D) In any park or officially designated forest or wildlife preserve;

(E) Within fifty feet of a canefield;

(F) Within one thousand feet of any building used for public worship during the periods when services are held; or

(G) Within five hundred feet of any dwelling; or

(2) Throws, catapults, or otherwise manually propels ignited aerial devices, articles pyrotechnic, consumer fireworks, or display fireworks.

(C) From above the first floor of any building; or

[(3)] (2) Set off, ignite, discharge, or otherwise cause to explode any aerial devices, articles pyrotechnic, consumer fireworks, or display fireworks:

(A) [Above] From above the first floor of any building;

(B) In any vehicle; or

[(C) At any time not within the periods for use prescribed in section 132D-3;

(D) Within one thousand feet of any operating hospital, licensed convalescent home, licensed home for the elderly, zoo, licensed animal shelter, or licensed animal hospital;

(E) In any school building, or on any school grounds and yards without first obtaining authorization from appropriate school officials;

(F) On any highway, alley, street, sidewalk, or other public way; in any park; on any public beach; in any officially designated forest or wildlife preserve; within fifty feet of a canefield; or within one thousand feet of any building used for public worship during the periods when

Note that this establishes a misdemeanor crime of setting off certain unpermitted fireworks on, among other places, a street or sidewalk, or within 500 feet of any dwelling.

Other sections criminalize certain transportation or distribution of specified fireworks. A fine may result from unpermitted use of consumer fireworks or use outside the allowed period. Ignorance of the time is disallowed as a defense. Refusal to provide identification when detained for violating the fireworks law is a petty misdemeanor. Numerous definitions clarify the scope of the law. Enhanced penalties for existing law are added.

“§132D-5 General fireworks or articles pyrotechnic prohibitions[-] in the first degree.

(a) It shall be unlawful for any person [without a permit issued under section 132D-10 by a county fire department] to:

[(1) Remove or extract the pyrotechnic contents from any fireworks;

[(2)] (1) Throw, catapult, or otherwise manually propel any ignited aerial devices, articles pyrotechnic, consumer fireworks, or display fireworks:

(A) From, at, or into a vehicle;

(B) At a person or an animal; [and] or

COMMUNITY ASSOCIATION BANKING
**WHERE STRENGTH
AND STABILITY
RESIDE.**

Turn to us for the deep industry experience,
market-leading products and API integration you need.

Christine McGuire, VP
Regional Sales Officer
christine.mcguire@firstcitizens.com
808-226-5829

FIRSTCITIZENS.COM/CAB



© 2025 First-Citizens Bank & Trust
Company. All rights reserved. MM#16800



services are held; and

~~(G) Within five hundred feet of any hotel.~~

~~(b) It shall be unlawful to purchase consumer fireworks more than five calendar days before the time periods for permissible use under section 132D-3.~~

~~(c) It shall be unlawful to sell consumer fireworks after 12:01 a.m. on New Year's Day, 6:00 p.m. on Chinese New Year's Day, and 8:00 p.m. on the Fourth of July.]~~

(C) In any building; provided that firecrackers shall be permitted if used in accordance with sections 132D-3 and 132D-10 and all other applicable state and county laws, ordinances, and rules.

(b) Except as provided in subsections (c) and (d), the offense of general fireworks or articles pyrotechnic prohibitions in the first degree shall be a class C felony.

(c) If in the commission of the offense of general fireworks or articles pyrotechnic prohibitions in the first degree the person negligently causes substantial bodily injury to another person, the person shall be guilty of a class B felony.

(d) If in the commission of the offense of general fireworks or articles pyrotechnic prohibitions in the first degree the person negligently causes serious bodily injury or death to another person, the person shall be guilty of a class A felony."

Per Hawaii Revised Statutes Section 706-660, the sentence for a class C felony is five years and the sentence for a class B felony is 10 years. Per Section 706-659, the sentence for a class A felony is 20 years. Note well the following:

"[H]§132D-14.5[H] Liability of homeowner, renter, or person otherwise responsible for real property. [A] (a) Except as provided in subsections (b) and (c), a homeowner, renter, or person otherwise responsible for [the] real property who intentionally, knowingly, [or] recklessly [allows], or negligently:

(1) Allows an individual, while on the real property, to possess, set off, ignite, discharge, or otherwise cause to explode any aerial [device] devices, articles pyrotechnic, or display fireworks without a permit issued pursuant to this chapter shall be [deemed to be in violation of this chapter

and shall be subject to the penalties specified in section 132D-14(a)(2) and (b).] guilty of a petty misdemeanor;

(2) Allows any aerial devices, articles pyrotechnic, display fireworks, or pyrotechnic composition to be stored in the real property without a license issued pursuant to this chapter shall be guilty of a misdemeanor; and

(3) Notwithstanding paragraph (2), allows any aerial devices, articles pyrotechnic, display fireworks, or pyrotechnic composition to be stored in the real property, if the total weight of the aerial devices, articles pyrotechnic, display fireworks, and pyrotechnic composition is twenty-five pounds or more without a license issued pursuant to this chapter, shall be guilty of a class C felony.

(b) Any person who would otherwise be subject to sentencing under subsection (a) shall be guilty of an offense one class or grade higher, as the case may be, than that provided in subsection (a) if:

(1) The person has been convicted one or more times for any offense under this chapter within ten years of the instant offense; or

(2) Any of the aerial devices, articles pyrotechnic, display fireworks, or pyrotechnic composition possessed, set off, ignited, discharged, otherwise caused to explode, or stored in violation of subsection (a) cause substantial bodily injury to another person.

(c) Any person who would otherwise be subject to sentencing under subsection (a) shall be guilty of an offense two classes or grades higher, as the case may be, than that provided in subsection (a) if any of the aerial devices, articles pyrotechnic, display fireworks, or pyrotechnic composition possessed, set off, ignited, discharged, otherwise caused to explode, or stored in violation of subsection (a) cause serious bodily injury or death to another person.

(d) The state of mind requirement for subsections (b) and (c) shall not be applicable to whether the person was aware that any of the aerial devices, articles pyrotechnic, display fireworks, or pyrotechnic composition caused or would cause the injury or death. A person shall be strictly liable with respect to the attendant circumstance that the aerial devices, articles pyrotechnic, display fireworks, or pyrotechnic composition caused the injury or death."

If criminal liability is an insufficient deterrent, then the loss of property might be:

SECTION 34. Section 712-1281, Hawaii Revised Statutes, is amended to read as follows:

“~~[H]~~**§712-1281 Forfeiture; fireworks.**~~[H]~~ In addition to any other penalty that may be imposed for violation of section 132D-14(a)(1) ~~[or (3)]~~, any property used or intended for use in the commission of, attempt to commit, or conspiracy to commit an offense under section 132D-14(a)(1) ~~[or (3)]~~, or that facilitated or assisted such activity, and any proceeds or other property acquired or maintained with the proceeds from violation of section 132D-14(a)(1) ~~[or (3)]~~ may be subject to forfeiture pursuant to chapter 712A.”

Per Hawaii Revised Statutes Section 712A-1:

“Property” means real property, including things growing on, affixed to, and found on land; tangible and intangible personal property, including currency, instruments, vehicles, boats, aircraft or any other kind of conveyance; and all rights, privileges, interests, claims, and securities pertaining to such property.

Real property includes your home.

DISCRIMINATION

SB31 SD2 HD2 CD1

Authorizes a person who discovers a recorded discriminatory restrictive covenant to take certain actions, without liability, to invalidate the covenant. Defines discriminatory restrictive covenant. (CD1)

This bill empowers individuals to unilaterally “discover” that a restrictive covenant is discriminatory and to then, on their own authority, declare it to be void. A person who acts in good faith in doing so shall be immune from liability. Notification to an affected property owner is not required.

SB116 SD2 HD1

Establishes provisions relating to civil remedies for discriminatory reporting to a law enforcement officer. Provides that any person who causes a law enforcement officer to contact a person on the basis of the person’s actual or perceived protected class with the intent to discriminate against the person shall be civilly liable. Requires the Department of Law Enforcement, in consultation with the Hawaii Civil Rights Commission, to provide guidance to the public on the enactment of this Act. For purpose and intent of the Hawaii Civil Rights Commission law, adding “place of birth” as a protected class. Effective 9/1/2025. (HD1)

This creates the opportunity for anyone to file a civil claim alleging that the police were called for a discriminatory reason. It will be important to be able to prove a non-discriminatory basis for calling the police.

CLIMATE/ENVIRONMENT

HB 735 HD2 SD1 CD1

Allows an individual wastewater system to serve up to five bedrooms, regardless of the number of dwellings, dwelling units, or accessory units, whether attached or detached, with certain exclusions. (CD1)

This has limited application, but may affect some small projects.

SB15 SD1 HD2 CD1

Amends the definition of “historic property” to require that the property is over fifty years old and meets the criteria for inclusion in the Hawaii Register of Historic Places. Excludes proposed projects on existing residential property and proposed projects that are in nominally sensitive areas from the State’s Historic Preservation Program review, under certain circumstances. (CD1)

This has limited application but may affect some properties.

SB589 SD1 HD3 CD1

Requires the Public Utilities Commission to establish an installation goal for customer-sited distributed energy resources in the State. Requires the Public Utilities Commission to establish tariffs to achieve the installation goal and for grid services programs, microgrids, and community-based renewable energy. Ensures that certain levels of compensation are provided for solar and energy storage exports from customer-sited distributed energy resources as part of grid service programs and requires the Public Utilities Commission to establish grid service compensation values. Clarifies when a person who constructs, maintains, or operates a new microgrid is not considered a public utility. Authorizes wheeling of renewable energy and requires the Public Utilities Commission to establish policies and procedures to implement wheeling and microgrid service tariffs. (CD1)

This has limited application but is a reminder of the State's 100% renewable energy goal.

SB946 SD2 HD3

Clarifies that the prohibition against discharging wastewater or raw sewage into state waters after 12/31/2026 includes treatment plants. Repeals the exemption from the prohibition for treatment plants that utilize sewage to produce clean energy. (HD3)

This has limited application, but may affect projects with treatment plants.

SB1396 SD3 HD3 CD1

Beginning 7/1/2025, requires the Governor to request in the executive budget or supplemental budget that an amount of general funds that approximates the additional Transient Accommodations Tax revenue generated by this Act be expended to advance certain climate change mitigation and tourism projects. Increases the Transient Accommodations Tax rate beginning on 1/1/2026. Assesses the Transient Accommodations Tax on gross rental proceeds derived from cruise fares. Amends the amount of Transient Accommodation Tax that shall be

deposited into the Mass Transit Special Fund. Amends the allowable uses of the Special Land and Development Fund and the portion of Transient Accommodations Tax collections that are allocated to the Special Land and Development Fund. Effective 1/1/2026. (CD1)

The opening lines of the bill are worth considering:

SECTION 1. The legislature finds that Hawaii is experiencing a climate emergency. The effects of climate change, such as rising temperatures, prolonged droughts, and increasingly destructive and deadly weather events, are felt across the island chain. These impacts threaten not only our vibrant ecosystems but also the people of Hawaii and the State's economic sustainability. To ensure the health and safety of Hawaii's lands, waters, and people, as well as its economic viability, successful mitigation of and adaptation to climate change are imperative.

The legislature further finds that economic development cannot be separated from environmental stewardship. Hawaii's economy is deeply reliant on its natural resources, from tourism and agriculture to marine industries and renewable energy. Degradation of these resources due to climate change and environmental mismanagement will result in significant financial losses across multiple sectors. By investing in sustainability, the State secures long-term economic stability while preserving its unique landscapes and biodiversity.

MISCELLANEOUS

HB111 (Act 20)

Authorizes civil claims to be made against a person, business, business owner, or business operator that profits from sexual exploitation or sex trafficking. Extends the statute of limitations for civil claims related to sexual exploitation or sex trafficking to ten years.

The reason for mentioning this bill is that: "Business" includes a transient accommodation or any other commercial activity." It seems clear, therefore, that a transient accommodation operator is vulnerable to potential claims for allowing property to be used for prohibited purposes. It also

seems possible that associations might potentially have some exposure, in some circumstances, because:

“~~[H]~~**§663J-4**~~[H]~~ **Evidence.** Acts that may serve as evidence in support of a claim under section 663J-3 include but are not limited to: ***

(16) Disregarding notification or other indications that an individual is being coerced into sexual exploitation or subjected to sex trafficking on premises controlled by the person, business, business owner, or business operator.”

It will be prudent to consult counsel if an association is: 1) notified; or 2) able to discern; that prohibited conduct is occurring at an association. Action may be required by law in those circumstances.

HB125 HD1 (Act 22)

Requires retail sellers or transferers of firearms to provide purchasers with notice regarding the law on firearms storage. Expands the requirements for the secure storage of firearms. Clarifies the offense of criminally negligent storage of a firearm. (HD1)

This bill does not expressly impose obligations upon an association. It does, however, require secure storage of firearms in “premises,” so associations may wish to consider updating rules to require compliant storage of firearms.

HB132 HD1 (Act 5)

Amends the Department of the Attorney General pilot project for a state-initiated expungement process of arrest records concerning promoting a detrimental drug in the third degree to include the possession of any schedule V substance in any amount. (HD1)

“The legislature recognizes that arrest records can adversely affect a person’s financial security and limit their ability to obtain housing, employment, or a professional license.” Affected persons may wish to follow up.

HB1120 HD2 SD2

Clarifies that the Department of Health has the legal authority and obligation to prevent and address nuisances that affect public health or environmental health, or both. Repeals definition of “nuisance” to include toxic materials used in or by-products of methamphetamine drug labs and odors and filth resulting from feeding feral birds. (SD2)

Meth labs are identified as a nuisance to be prevented. The bill is much broader however and mandates that the Department of Health “shall” investigate and abate nuisances that are dangerous or injurious to public or environmental health.

This will enable associations to bring a variety of matters to the attention of the Department of Health (“DOH”) and its agents for action. The limiting factor is whether a complaint involve matters “that in their opinion are dangerous[.]” The DOH opinion controls whether action is warranted.

SECTION 2. Chapter 322, Hawaii Revised Statutes, is amended by amending the title of part I to read as follows:

“PART I. PREVENTION AND ABATEMENT OF NUISANCES”

SECTION 3. Section 322-1, Hawaii Revised Statutes, is amended to read as follows:

“§322-1 [~~Removal, prevention, abatement; destruction; removal.~~ Prevention; abatement; destruction; removal. The department of health and its agents shall examine into all nuisances, such as foul or noxious odors, gases or vapors, water in which mosquito larvae exist, sources of filth, and all causes of sickness or disease, on shore, and in any vessel, which may be known to them or brought to their attention, ~~[which] that~~ in their opinion are dangerous or injurious to public health or environmental health, or both, and into any and all conditions created or existing ~~[which] that~~ cause or tend ~~[to cause sickness or disease or]~~ to be dangerous or injurious to public health or environmental health, or both, and shall ~~[cause the same to be abated, destroyed, removed, or prevented.~~ For purposes of this part, a nuisance shall ~~include:~~

~~(1) Toxic materials that are used in or by products of the manufacture or conversion of methamphetamine, and clandestine drug labs that manufacture methamphetamine; and~~
(2) ~~Odors and filth resulting from a person feeding feral birds.]~~
prevent, abate, destroy, or remove the nuisance or condition that causes a nuisance.”

SB281 SD1 HD2 CD1

Defines and prohibits the offense of torture.
Makes torture a class A felony. (CD1)

If you see something, say something.

SB321 SD1 HD2 CD1

Provides that in any county with a population of less than 250,000, fee simple absolute title of a privately owned highway, road, alley, street, way, lane, bikeway, bridge, or trail is deemed transferred to adjacent property owners or the community association if certain conditions are met. Effective 7/1/2027. Sunsets 7/1/2032. (CD1)

This will enable the transfer of rural roads to community association, except in the City and County of Honolulu. Online US Census data describes the July 1, 2024 populations of: 1) Kauai County as 73,840; 2) City and County of Honolulu as 998,747; 3) Maui County as 163,688; and 4) Hawaii County as 209,790.

SB332 SD1 HD3 CD1

Prohibits sellers of mortgaged properties in a power of sale foreclosure from bundling properties at a public sale and requires each mortgaged property to be bid on separately. Specifies that the sale of a foreclosed property is not final until the earliest of either fifteen days after the public sale, unless an eligible bidder submits a subsequent bid or written notice of intent to submit a subsequent bid, or forty-five days after the public sale. (CD1)

This bill addresses concern about post-disaster bulk sales.

SB825 SD2 HD2 CD1

Beginning 2/5/2026, extends the period for a notice of termination of a rental agreement from five business days to ten calendar days; requires landlords, or their agents, and tenants to engage in mediation and requires landlords and their agents to delay filing an action for summary possession if a tenant schedules mediation; requires landlords or their agents to provide specific information in the ten-calendar-day notice to tenants; and requires mediation to take place within thirty days from the date that a mediation center makes contact with both the landlord, or the landlord’s agent, and tenant. Requires the Judiciary to submit a report to the Legislature. Appropriates funds. Sunsets 2/4/2028 but preserves the extension of the period for a notice of termination of a rental agreement from five business days to ten calendar days. (CD1)

This bill purports to balance rights by requiring early mediation of eviction matters.

THE GOVERNOR MAY VETO ONE OR MORE
BILLS