

JAN 19 2007

A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

1 SECTION 1. Section 514B-162, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) At the request of any party, any dispute concerning
4 or involving one or more unit owners and an association, its
5 board, managing agent, or one or more other unit owners relating
6 to the interpretation, application, or enforcement of this
7 chapter or the association's declaration, bylaws, or house rules
8 adopted in accordance with its bylaws shall be submitted to
9 arbitration[-]; provided that no arbitration may be requested:

10 (1) Prior to the passage of thirty days following the
11 final day of mediation; or

12 (2) If the procedure for a hearing with the office of
13 administrative hearings has commenced, prior to the
14 final decision by an administrative hearing officer.

15 The arbitration shall be conducted, unless otherwise agreed by
16 the parties, in accordance with the rules adopted by the
17 commission and of chapter 658A; provided that the rules of the



1 arbitration service conducting the arbitration shall be used
2 until the commission adopts its rules; provided further that
3 where any arbitration rule conflicts with chapter 658A, chapter
4 658A shall prevail; and provided further that notwithstanding
5 any rule to the contrary, the arbitrator shall conduct the
6 proceedings in a manner which affords substantial justice to all
7 parties. The arbitrator shall be bound by rules of substantive
8 law and shall not be bound by rules of evidence, whether or not
9 set out by statute, except for provisions relating to privileged
10 communications. The arbitrator shall permit discovery as
11 provided for in the Hawaii rules of civil procedure; provided
12 that, the arbitrator may restrict the scope of such discovery for
13 good cause to avoid excessive delay and costs to the parties or
14 the arbitrator may refer any matter involving discovery to the
15 circuit court for disposition in accordance with the Hawaii
16 rules of civil procedure then in effect."

17 SECTION 2. This Act does not affect rights and duties that
18 matured, penalties that were incurred, and proceedings that were
19 begun, before its effective date.

20 SECTION 3. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect upon its approval.

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Report Title:

Condominiums; Alternative Dispute Resolution

Description:

Prohibits request for arbitration prior to 30 days from end of mediation or final decision of hearing officer if administrative hearing remedy has commenced.

