

JAN 18 2008

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# A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

1 SECTION 1. Section 514B-107, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "**§514B-107 Board; limitations.** (a) Members of the board  
4 shall be unit owners or co-owners, vendees under an agreement of  
5 sale, a trustee of a trust [~~which~~] that owns a unit, or an  
6 officer, partner, member, or other person authorized to act on  
7 behalf of any other legal entity [~~which~~] that owns a unit.  
8 There shall not be more than one representative on the board  
9 from any one unit.

10 (b) No resident manager or employee of a condominium shall  
11 serve on its board.

12 (c) No person may run for election to or serve on a board  
13 if the person is in arrears of at least \$1,000 in maintenance  
14 fees, fines, or any other fees owed to the unit owners'  
15 association for over three months.

16 (d) If an association board member is in arrears of at  
17 least \$1,000 in maintenance fees, fines, or any other fees owed



1 to the unit owners' association, the board member in arrears  
2 shall be ineligible to serve on the board and shall promptly  
3 resign. Any votes cast by a board member who becomes ineligible  
4 to serve on the board shall be void from the date of the board  
5 member's ineligibility.

6 [~~e~~] (e) An owner shall not act as an officer of an  
7 association and an employee of the managing agent retained by  
8 the association. Any owner who is a board member of an  
9 association and an employee of the managing agent retained by  
10 the association shall not participate in any discussion  
11 regarding a management contract at a board meeting and shall be  
12 excluded from any executive session of the board where the  
13 management contract or the property manager will be discussed.

14 [~~d~~] (f) Directors shall not expend association funds for  
15 their travel, directors' fees, and per diem, unless owners are  
16 informed and a majority approve of these expenses; provided  
17 that, with the approval of the board, directors may be  
18 reimbursed for actual expenditures incurred on behalf of the  
19 association. The minutes shall reflect in detail the items and  
20 amounts of the reimbursements.

21 [~~e~~] (g) Associations at their own expense shall provide  
22 all board members with a current copy of the association's



1 declaration, bylaws, house rules, and, annually, a copy of this  
2 chapter with amendments.

3       ~~[(f)]~~ (h) The directors may expend association funds,  
4 which shall not be deemed to be compensation to the directors,  
5 to educate and train themselves in subject areas directly  
6 related to their duties and responsibilities as directors;  
7 provided that the approved annual operating budget shall include  
8 these expenses as separate line items. These expenses may  
9 include registration fees, books, videos, tapes, other  
10 educational materials, and economy travel expenses. Except for  
11 economy travel expenses within the State, all other travel  
12 expenses incurred under this subsection shall be subject to the  
13 requirements of subsection ~~[(d)]~~ (f)."

14       SECTION 2. This Act does not affect rights and duties that  
15 matured, penalties that were incurred, and proceedings that were  
16 begun, before its effective date.

17       SECTION 3. Statutory material to be repealed is bracketed  
18 and stricken. New statutory material is underscored.

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

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INTRODUCED BY: Clarence B. Gresham  
Yada L. C.



**Report Title:**

Condominiums; Association Board Members

**Description:**

Prohibits a member of any unit owners' association from serving on board if the association member is in arrears of \$1,000 or more in maintenance fees, fines, or any other fees owed to the association for at least 3 months.

