
A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

1 SECTION 1. The legislature finds that many older
2 condominium projects in Hawaii operate with only a single meter
3 to measure the aggregate consumption of utilities, such as gas,
4 water, and electricity for all units within the condominium
5 project. Consequently, utility expenses are paid for as a
6 common expense based on each unit's undivided interest in the
7 condominium, rather than individual units' actual utility usage.

8 The legislature finds that this method of apportioning
9 utility costs is unfair both to unit owners and the condominium
10 association. A unit owner faces no consequences for wasteful
11 energy consumption, such as leaving lights or air conditioning
12 on at all times. Unit owners with vacant units, such as part-
13 time residents or owners of unoccupied rental units, are also at
14 a disadvantage. For example, a three-bedroom unit with a higher
15 undivided interest than a studio apartment will pay a higher
16 utility cost, regardless of whether the unit is occupied or
17 vacant. The legislature further finds that wasteful or



1 excessive utility use results in higher costs for the
2 association when utility costs are paid for as a common expense.

3 The legislature also finds that the patent unfairness of
4 common utility metering in condominium associations was
5 addressed by Act 176, Session Laws of Hawaii 1977, and Act 93,
6 Session Laws of Hawaii 2005, which added new sections to
7 chapters 514A and 514B, Hawaii Revised Statutes, respectively,
8 to require separate metering of nonresidential and residential
9 units and to allow individual metering of condominium units.
10 However, the requirement for separate monitoring of
11 nonresidential units only applies to projects for which
12 construction commenced after 1978. Condominiums constructed
13 before 1978 are not required to adhere to those laws. The
14 legislature finds that recent technology permits the individual
15 metering of utilities in many instances for a reasonable cost
16 regardless of the age or construction design of the condominium
17 project.

18 The purpose of this Act is to permit a condominium board of
19 directors to authorize the installation of utility meters to
20 measure utility use by individual units; provided that the
21 condominium association bears the cost of installing the utility
22 meters.



1 SECTION 2. Section 514A-15.5, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§514A-15.5 Metering of utilities. (a) Notwithstanding
4 the provisions of section 514A-15, commercial apartments in
5 mixed-use projects containing apartments for both residential
6 and commercial use [~~, the construction of which commences after~~
7 ~~December 31, 1977,~~] shall have a separate meter, or calculations
8 shall be made, or both, to determine the use by the commercial
9 apartments of utilities, including electricity, water, gas,
10 fuel, oil, sewerage, and drainage and the cost of [~~such~~] the
11 utilities shall be paid by the owners of [~~such~~] the commercial
12 units; provided that the apportionment of [~~such~~] the charges
13 among owners of commercial apartments shall be done in a fair
14 and equitable manner as set forth in the declaration or bylaws.

15 (b) Notwithstanding any provision to the contrary in this
16 chapter or in a project's declaration or bylaws of an
17 association of apartment owners, the board of directors may
18 authorize the installation of separate meters to determine the
19 use by each residential or commercial apartment in any project
20 of utilities, including electricity, water, gas, fuel, oil,
21 sewerage, and drainage; provided that the cost of installing the
22 meters shall be paid by the association.



1 ~~[(b)]~~ (c) ~~[Subject to]~~ Notwithstanding any approval
2 requirements and spending limits contained in the declaration or
3 bylaws of an association of apartment owners, the board of
4 directors of any association of apartment owners may authorize
5 the installation of meters to determine the use by ~~[the]~~ each
6 residential ~~[and]~~ or commercial ~~[apartments]~~ apartment in any
7 project of utilities, including electricity, water, gas, fuel,
8 oil, sewerage, and drainage~~[-]~~; provided that the cost of
9 installing the meters shall be paid by the association. The
10 cost of metered utilities shall be paid by the owners of ~~[such~~
11 ~~apartments]~~ each apartment based on actual consumption and may
12 be collected in the same manner as common expense assessments.
13 Owners' maintenance fees shall be adjusted as necessary to avoid
14 any duplication of charges to these owners for the cost of
15 metered utilities."

16 SECTION 3. Section 514B-42, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "~~[+]§514B-42 [.]~~ **Metering of utilities.** (a) Units in a
19 project that includes units designated for both residential and
20 nonresidential use shall have separate meters, or calculations
21 shall be made, or both, as may be practicable, to determine the
22 use by the nonresidential units of utilities, including



1 electricity, water, gas, fuel, oil, sewerage, air conditioning,
2 chiller water, and drainage, and the cost of ~~[such]~~ the
3 utilities shall be paid by the owners of the nonresidential
4 units; provided that the apportionment of the charges among
5 owners of nonresidential units shall be done in a fair and
6 equitable manner as set forth in the declaration or bylaws.
7 ~~[The requirements of this subsection shall not apply to projects~~
8 ~~for which construction commenced before January 1, 1978.]~~

9 (b) Notwithstanding any provision to the contrary in this
10 chapter or in a project's declaration or bylaws, the board may
11 authorize the installation of separate meters to determine the
12 use by each residential or commercial unit in any project of
13 utilities, including electricity, water, gas, fuel, oil,
14 sewerage, and drainage; provided that the cost of installing the
15 meters shall be paid by the association.

16 ~~[(b)]~~ (c) [Subject to] Notwithstanding any approval
17 requirements and spending limits contained in a project's
18 declaration or bylaws, [a] the board of any association may
19 authorize the installation of meters to determine the use by
20 [the] each individual [units] unit in any project of utilities,
21 including electricity, water, gas, fuel, oil, sewerage, air
22 conditioning, chiller water, and drainage[-]; provided that the



1 cost of installing the meters shall be paid by the association.
2 The cost of metered utilities shall be paid by the owners of
3 [~~the units~~] each unit based on actual consumption and, to the
4 extent not billed directly to the unit owner by the utility
5 provider, may be collected in the same manner as common expense
6 assessments. Owners' maintenance fees shall be adjusted as
7 necessary to avoid any duplication of charges to owners for the
8 cost of metered utilities."

9 SECTION 4. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 5. This Act shall take effect upon its approval.



Report Title:

Condominiums; Metering of Utilities

Description:

Allows condominium boards to authorize the installation of separate utility meters for each unit in any project; provided that the association pays the cost of installing the meters.
(SB2256 HD2)

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