
A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

PART I

SECTION 1. Section 514B-154.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Notwithstanding any other provision in the declaration, bylaws, or house rules, if any, the following documents, records, and information, whether maintained, kept, or required to be provided pursuant to this section or section 514B-152, 514B-153, or 514B-154, shall be made available to any unit owner and the owner's authorized agents by the managing agent, resident manager, board through a board member, or the association's representative:

(1) All financial and other records sufficiently detailed in order to comply with requests for information and disclosures related to the resale of units;

(2) An accurate copy of the declaration, bylaws, house rules, if any, master lease, if any, a sample original



- 1 conveyance document, and all public reports and any
2 amendments thereto;
- 3 (3) Detailed, accurate records in chronological order of
4 the receipts and expenditures affecting the common
5 elements, specifying and itemizing the maintenance and
6 repair expenses of the common elements and any other
7 expenses incurred and monthly statements indicating
8 the total current delinquent dollar amount of any
9 unpaid assessments for common expenses;
- 10 (4) All records and the vouchers authorizing the payments
11 and statements kept and maintained at the address of
12 the project, or elsewhere within the State as
13 determined by the board, subject to section 514B-152;
- 14 (5) All signed and executed agreements for managing the
15 operation of the property, expressing the agreement of
16 all parties, including but not limited to financial
17 and accounting obligations, services provided, and any
18 compensation arrangements, including any subsequent
19 amendments;
- 20 (6) An accurate and current list of members of the
21 condominium association and the members' current



1 addresses and the names and addresses of the vendees
2 under an agreement of sale, if any. A copy of the
3 list shall be available, at cost, to any unit owner or
4 owner's authorized agent who furnishes to the managing
5 agent, resident manager, or the board a duly executed
6 and acknowledged affidavit stating that the list:

7 (A) Shall be used by the unit owner or owner's
8 authorized agent personally and only for the
9 purpose of soliciting votes or proxies or for
10 providing information to other unit owners with
11 respect to association matters; and

12 (B) Shall not be used by the unit owner or owner's
13 authorized agent or furnished to anyone else for
14 any other purpose;

15 (7) The association's most current financial statement, at
16 no cost or on twenty-four-hour loan, at a convenient
17 location designated by the board;

18 (8) Meeting minutes of the association, pursuant to
19 section 514B-122;

20 (9) Meeting minutes of the board, pursuant to section
21 514B-126, which shall be:



- 1 (A) Available for examination by unit owners or
2 owners' authorized agents at no cost or on
3 twenty-four-hour loan at a convenient location at
4 the project, to be determined by the board; or
- 5 (B) Transmitted to any unit owner or owner's
6 authorized agent making a request for the minutes
7 within fifteen days of receipt of the request by
8 the owner or owner's authorized agent; provided
9 that:
- 10 (i) The minutes shall be transmitted by mail,
11 electronic mail transmission, or facsimile,
12 by the means indicated by the owner or
13 owner's authorized agent, if the owner or
14 owner's authorized agent indicated a
15 preference at the time of the request; and
- 16 (ii) The owner or owner's authorized agent shall
17 pay a reasonable fee for administrative
18 costs associated with handling the request,
19 subject to section 514B-105(d);
- 20 (10) Financial statements, general ledgers, the accounts
21 receivable ledger, accounts payable ledgers, check



1 ledgers, insurance policies, contracts, and invoices
2 of the association for the duration those records are
3 kept by the association, and any documents regarding
4 delinquencies of ninety days or more shall be
5 available for examination by unit owners or owners'
6 authorized agents at convenient hours at a place
7 designated by the board; provided that:

8 (A) The board may require unit owners or owners'
9 authorized agents to furnish to the association a
10 duly executed and acknowledged affidavit stating
11 that the information is requested in good faith
12 for the protection of the interests of the
13 association, its members, or both; and

14 (B) Unit owners or owners' authorized agents shall
15 pay for administrative costs in excess of eight
16 hours per year;

17 (11) Proxies, tally sheets, ballots, unit owners' check-in
18 lists, and the certificate of election subject to
19 section 514B-154(c);

20 (12) Copies of an association's documents, records, and
21 information, whether maintained, kept, or required to



1 be provided pursuant to this section or section

2 514B-152, 514B-153, or 514B-154;

3 (13) A copy of the management contract from the entity that
4 manages the operation of the property before the
5 organization of an association; [and]

6 (14) Other documents requested by a unit owner or owner's
7 authorized agent in writing; provided that the board
8 shall give written authorization or written refusal
9 with an explanation of the refusal within thirty
10 calendar days of receipt of a request for documents
11 pursuant to this paragraph[-]; and

12 (15) A copy of any contract, written job description, and
13 compensation between the association and any person or
14 entity retained by the association to manage on-site
15 the operation of the property, including but not
16 limited to the general manager, operations manager,
17 resident manager, or site manager; provided that
18 personal information may be redacted from the contract
19 copy, including but not limited to the manager's date
20 of birth, age, signature, social security number,
21 residence address, telephone number, non-business



1 condominium association who owns the single commercial unit in a
2 mixed-use project would therefore be unable to elect or reelect
3 the directors needed to represent that commercial unit.

4 Accordingly, the purpose of this part is to:

- 5 (1) Clarify that the removal or replacement of a director
6 elected by a class of unit owners shall be by a
7 majority of only the members of that class; and
8 (2) Specify that for an election in a mixed-use
9 condominium project where directors are elected by
10 different classes of owners, an association is
11 permitted to cast a vote or votes allocated to any
12 nonresidential unit owned by the association where
13 those eligible to vote in the election are limited to
14 owners of one or more nonresidential units, including
15 the nonresidential unit owned by the association.

16 SECTION 3. Section 514B-110, Hawaii Revised Statutes, is
17 amended by amending subsection (h) to read as follows:

18 "(h) This section shall not preclude the removal and
19 replacement of any one or more members of the board pursuant to
20 section 514B-106(f) [-]; provided that any director elected by a
21 class of unit owners may be removed or replaced only by a vote



1 of a majority of the common interest represented by that class.
2 Any removal and replacement shall not affect the proportionate
3 composition of the board as prescribed in the bylaws as amended
4 pursuant to this section."

5 SECTION 4. Section 514B-123, Hawaii Revised Statutes, is
6 amended by amending subsection (c) to read as follows:

7 "(c) No votes allocated to a unit owned by the association
8 may be cast for the election or reelection of directors[-];
9 provided that, notwithstanding section 514B-106(b) or any
10 provision in an association's declaration or bylaws to the
11 contrary, in a mixed-use project containing units for
12 residential and nonresidential use, where the board is comprised
13 of directors elected by owners of residential units and
14 directors elected by owners of nonresidential units, the
15 association, acting by and through its board, may cast the vote
16 or votes allocated to any nonresidential unit owned by the
17 association in any election of one or more directors where those
18 eligible to vote in the election are limited to owners of one or
19 more nonresidential units, which includes the nonresidential
20 unit owned by the association."

21 PART III



1 SECTION 5. Section 514B-107, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) No tenant, resident manager, or employee of a
4 condominium shall serve on its board."

5 PART IV

6 SECTION 6. This Act does not affect rights and duties that
7 matured, penalties that were incurred, and proceedings that were
8 begun before its effective date.

9 SECTION 7. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 8. This Act shall take effect on July 1, 2050.



Report Title:

Condominium Associations; Contracts; Resident Managers; General Managers; Operations Managers; Site Managers; Owners; Board of Directors; Mixed-use Projects; Elections; Board Members

Description:

Part I: requires copies of contracts, written job descriptions, and compensation between the association and any person retained to manage on-site the operation of the property to be made available to any unit owner, and allows certain personal information to be redacted from the contracts. Part II: clarifies that in cases where the removal or replacement of a director elected by a class of unit owners is authorized, such removal or replacement may be by a majority of only the members of that class; and specifies that, for an election in a mixed-use condominium project where directors are elected by different classes of owners, an association may cast the vote or votes allocated to any nonresidential unit owned by the association where those eligible to vote in the election are limited to owners of one or more nonresidential units, including the nonresidential unit owned by the association. Part III: clarifies that tenants are prohibited from serving as board members of a condominium association. Effective 7/1/2050.
(SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

