



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

July 2, 2019

**GOV. MSG. NO. 1294**

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Thirtieth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Thirtieth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on July 2, 2019, the following bill was signed into law:

HB61 HD1 SD1 CD1

RELATING TO CONDOMINIUMS.  
**ACT 192 (19)**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

# 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 the changes made by  
2 Act 195, Session Laws of Hawaii 2018, were designed to provide  
3 greater clarity and certainty in the application of common  
4 expense payments by condominium unit owners. Specifically, the  
5 Act clarified that condominium associations must apply common  
6 expense payments to common expenses owed first, or to fines or  
7 fees if indicated by the payee.

8           However, the Act did not address situations that require  
9 the application of funds beyond common expenses. This has  
10 resulted in confusion by association boards of directors in  
11 allocating the priority of payments paid in excess of common  
12 expenses owed.

13           Therefore, the purpose of this Act is to clarify the  
14 allocation of payments made by or on behalf of a condominium  
15 unit owner and which are paid in excess of any common expenses  
16 owed.



1 SECTION 2. Section 514B-105, Hawaii Revised Statutes, is  
2 amended by amending subsection (c) to read as follows:

3 "(c) ~~[No association shall deduct and apply portions of~~  
4 ~~common expense payments received from a unit owner to unpaid~~  
5 ~~late fees, legal fees, fines, and interest (other than amounts~~  
6 ~~remitted by a unit in payment of late fees, legal fees, fines,~~  
7 ~~and interest).]~~ Any payments made by or on behalf of a unit  
8 owner shall first be applied to outstanding common expenses that  
9 are assessed to all unit owners in proportion to the common  
10 interest appurtenant to their respective units. Only after said  
11 outstanding common expenses have been paid in full may the  
12 payments be applied to other charges owed to the association,  
13 including assessed charges to the unit such as ground lease  
14 rent, utility sub-metering, storage lockers, parking stalls,  
15 boat slips, insurance deductibles, and cable. After these  
16 charges are paid, other charges, including unpaid late fees,  
17 legal fees, fines, and interest, may be assessed in accordance  
18 with an application of payment policy adopted by the board;  
19 provided that if a unit owner has designated that any payment is  
20 for a specific charge that is not a common expense as described  
21 in this subsection, the payment may be applied in accordance



1 with the unit owner's designation even if common expenses remain  
2 outstanding."

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

5 SECTION 4. This Act shall take effect on July 1, 2019.

APPROVED this 02 day of JUL, 2019



GOVERNOR OF THE STATE OF HAWAII



HB No. 61, HD 1, SD 1, CD 1


THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 30, 2019  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2019.



Scott K. Saiki  
Speaker  
House of Representatives





Brian L. Takeshita  
Chief Clerk  
House of Representatives

**THE SENATE OF THE STATE OF HAWAI'I**

Date: April 30, 2019  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirtieth Legislature of the State of Hawai'i, Regular Session of 2019.

  
President of the Senate

  
Clerk of the Senate