
A BILL FOR AN ACT

RELATING TO CONDOMINIUM PROPERTY REGIMES.

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

1 SECTION 1. Chapter 514B, Hawaii Revised Statutes, is
2 amended by adding two new sections to be appropriately
3 designated and to read as follows:

4 "§514B-A Delinquent assessments or maintenance fees;
5 notice; attorney's fees. (a) Before taking any action under
6 this chapter to collect delinquent assessments or maintenance
7 fees, the association shall send to the delinquent unit owner a
8 written notice of the amount of the assessment or maintenance
9 fees owed to the association. The association shall give a
10 separate written notice to the unit owner on the tenth,
11 thirtieth, and forty-fifth day from the initial date of
12 delinquency. Each written notice shall:

- 13 (1) Be sent by first class, certified mail;
14 (2) Set forth the exact amount of assessment or
15 maintenance fees the association claims is due and
16 owing by the unit owner;
17 (3) Indicate the intent of the association to collect the
18 amount from the unit owner;



1 (4) Inform the unit owner of the owner's right to the
2 protection of all fair debt collection procedures
3 required under federal and state law, and the owner's
4 rights under section 514A-90(c)(5) and (6).

5 (b) The written notice to the unit owner that is mailed on
6 the forty-fifth day after the initial date of delinquency shall
7 include notice to the unit owner that the association shall
8 assess reasonable attorney's fees incurred by the board
9 attributable to the collection of the unit owner's assessment or
10 maintenance fee debt to the association; provided that the
11 association may not collect from a unit owner who is delinquent
12 in assessments or maintenance fees any amount attributable to
13 attorney's fees incurred by the association relating to a unit
14 owner's delinquency from the date of the unit owner's initial
15 date of delinquency through the subsequent sixty-day period.

16 (c) The association's written notice to be mailed on the
17 forty-fifth day from the initial date of delinquency to the unit
18 owner shall include notice that attorney's fees attributable to
19 the collection of the delinquent assessments or maintenance fees
20 shall be assessed against the unit owner, beginning on the
21 sixty-first day from the initial date of the unit owner's
22 delinquency.

1 (d) In any action to challenge or to collect delinquent
2 assessments or maintenance fees, the association shall have the
3 burden of proving that the written notices required by this
4 section were mailed to the unit owner.

5 §514B-B Late fees; limit. Any late fee imposed by an
6 association upon a unit owner who is delinquent in unpaid
7 assessments or maintenance fees shall not be more than twenty
8 per cent of the monthly maintenance fee in effect at the time of
9 the delinquency."

10 SECTION 2. In codifying the new sections added by section
11 1 of this Act, the revisor of statutes shall substitute
12 appropriate section numbers for the letters used in designating
13 the new sections in this Act.

14 SECTION 3. New statutory material is underscored.

15 SECTION 4. This Act shall take effect on July 1, 2006.

Report Title:

Condominiums; Delinquent and Attorney's Fees; Late Fee Limits

Description:

Requires condominium association to send written notice of unpaid assessment or maintenance fees to unit owners, including notice that attorneys fees will be charged beginning on the 61st day after initial delinquency; limits late fees to 20% of maintenance fees. (SD1)

