

JAN 19 2007

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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. The legislature finds that management agents  
2 have used member lists without the consent or approval of the  
3 board for purposes not intended and not specified in the laws of  
4 Hawaii and the associations' declarations and bylaws.

5           The purpose of this Act is to limit the managing agents'  
6 use of member lists to specific, enumerated purposes only.

7           SECTION 2. Section 514B-154, Hawaii Revised Statutes, is  
8 amended to read as follows:

9           "**§514B-154 Association records; availability; disposal;**  
10 **prohibitions.** (a) The association's most current financial  
11 statement shall be provided to any interested unit owner at no  
12 cost or on twenty-four-hour loan, at a convenient location  
13 designated by the board. The meeting minutes of the board of  
14 directors, once approved, for the current and prior year shall  
15 either:

16           (1) Be available for examination by apartment owners at no  
17 cost or on twenty-four-hour loan at a convenient



1 location at the project, to be determined by the board  
2 of directors; or

3 (2) Be transmitted to any apartment owner making a request  
4 for the minutes, by the board of directors, the  
5 managing agent, or the association's representative,  
6 within fifteen days of receipt of the request;  
7 provided that the minutes shall be transmitted by  
8 mail, electronic mail transmission, or facsimile, by  
9 the means indicated by the owner, if the owner  
10 indicated a preference at the time of the request; and  
11 provided further that the owner shall pay a reasonable  
12 fee for administrative costs associated with handling  
13 the request.

14 Costs incurred by apartment owners pursuant to this  
15 subsection shall be subject to section 514B-105(d).

16 (b) Financial statements, general ledgers, the accounts  
17 receivable ledger, accounts payable ledgers, check ledgers,  
18 insurance policies, contracts, and invoices of the association  
19 for the duration those records are kept by the association and  
20 delinquencies of ninety days or more shall be available for  
21 examination by unit owners at convenient hours at a place  
22 designated by the board; provided that:



1           (1) The board may require owners to furnish to the  
2           association a duly executed and acknowledged affidavit  
3           stating that the information is requested in good  
4           faith for the protection of the interests of the  
5           association or its members or both; and

6           (2) Owners shall pay for administrative costs in excess of  
7           eight hours per year.

8           Copies of these items shall be provided to any owner upon  
9           the owner's request; provided that the owner pays a reasonable  
10          fee for duplication, postage, stationery, and other  
11          administrative costs associated with handling the request.

12          (c) After any association meeting, and not earlier, unit  
13          owners shall be permitted to examine proxies, tally sheets,  
14          ballots, owners' check-in lists, and the certificate of  
15          election; provided that:

16               (1) Owners shall make a request to examine the documents  
17               within thirty days after the association meeting;

18               (2) The board may require owners to furnish to the  
19               association a duly executed and acknowledged affidavit  
20               stating that the information is requested in good  
21               faith for the protection of the interest of the  
22               association or its members or both; and



1 (3) Owners shall pay for administrative costs in excess of  
2 eight hours per year.

3 If there are no requests to examine proxies and ballots,  
4 the documents may be destroyed thirty days after the association  
5 meeting. If there are requests to examine proxies and ballots,  
6 the documents shall be kept for an additional sixty days, after  
7 which they may be destroyed. Copies of tally sheets, owners'  
8 check-in lists, and the certificates of election from the most  
9 recent association meeting shall be provided to any owner upon  
10 the owner's request, provided that the owner pays a reasonable  
11 fee for duplicating, postage, stationery, and other  
12 administrative costs associated with handling the request.

13 (d) The managing agent shall provide copies of association  
14 records maintained pursuant to this section and sections  
15 514B-152 and 514B-153 to owners, prospective purchasers and  
16 their prospective agents during normal business hours, upon  
17 payment to the managing agent of a reasonable charge to defray  
18 any administrative or duplicating costs. If the project is not  
19 managed by a managing agent, the foregoing requirements shall be  
20 undertaken by a person or entity, if any, employed by the  
21 association, to whom this function is delegated.



1 (e) Prior to the organization of the association, any unit  
2 owner shall be entitled to inspect as well as receive a copy of  
3 the management contract from the entity that manages the  
4 operation of the property.

5 (f) Owners may file a written request with the board to  
6 examine other documents. The board shall give written  
7 authorization or written refusal with an explanation of the  
8 refusal within thirty calendar days of receipt of the request.

9 (g) An association may comply with this part by making  
10 information available to unit owners, at the option of each unit  
11 owner and at no cost to the unit owner for downloading the  
12 information, through an internet site.

13 (h) A managing agent retained by one or more associations  
14 may dispose of the records of any association which are more  
15 than five years old, except for tax records, which shall be kept  
16 for seven years, without liability if the managing agent first  
17 provides the board of the association affected with written  
18 notice of the managing agent's intent to dispose of the records  
19 if not retrieved by the board within sixty days, which notice  
20 shall include an itemized list of the records proposed to be  
21 disposed.



1 (i) No person shall knowingly make any false certificate,  
2 entry, or memorandum upon any of the books or records of any  
3 managing agent or association. No person shall knowingly alter,  
4 destroy, mutilate, or conceal any books or records of a managing  
5 agent or association.

6 (j) Managing agents shall not use or distribute member  
7 lists without prior written consent of the board except to send:

- 8 (1) Meeting notices to unit owners;
- 9 (2) Association newsletters; and
- 10 (3) A notice of proposed declaration and bylaw  
11 amendments."

12 SECTION 3. New statutory material is underscored.

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

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INTRODUCED BY:

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**Report Title:**

Condominium Association; Member List

**Description:**

Limits the use of the condominium association member lists by the managing agent.

