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# A BILL FOR AN ACT

RELATING TO CONDOMINIUM ASSOCIATION RECORDS.

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

1           SECTION 1. The legislature finds that the high costs to  
2 obtain copies of condominium association records pursuant to  
3 section 514B-154 can be excessive and can prevent some members  
4 from obtaining the information.

5           The purpose of this Act is to establish that only  
6 reasonable costs can be charged if a member wants to obtain  
7 association records.

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

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



1 (1) Be available for examination by apartment owners at no  
2 cost or on twenty-four-hour loan at a convenient  
3 location at the project, to be determined by the board  
4 of directors; or

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

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

18 (b) Financial statements, general ledgers, the accounts  
19 receivable ledger, accounts payable ledgers, check ledgers,  
20 insurance policies, contracts, and invoices of the association  
21 for the duration those records are kept by the association and  
22 delinquencies of ninety days or more shall be available for



1 examination by unit owners at convenient hours at a place  
2 designated by the board; provided that:

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

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

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

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

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

20 (2) The board may require owners to furnish to the  
21 association a duly executed and acknowledged affidavit  
22 stating that the information is requested in good



1 faith for the protection of the interest of the  
2 association or its members or both; and  
3 (3) Owners shall pay for administrative costs in excess of  
4 eight hours per year.

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

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



1 undertaken by a person or entity, if any, employed by the  
2 association, to whom this function is delegated.

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

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

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

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



1 shall include an itemized list of the records proposed to be  
2 disposed.

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

8 (j) Any fee charged to a member to obtain copies of  
9 association records under this section shall be reasonable;  
10 provided that a reasonable cost shall include the administrative  
11 and duplicating costs and shall not exceed 50 cents per page, or  
12 portion thereof."

13 SECTION 3. New statutory material is underscored.

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

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**Report Title:**

Condominium Association Records; Reasonable Costs

**Description:**

Limits the costs the association can charge to members for association records to reasonable costs. Clarifies that reasonable costs include administrative and duplicating costs.

