

JAN 21 2010

A BILL FOR AN ACT

RELATING TO PLANNED COMMUNITY ASSOCIATIONS.

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

1 SECTION 1. Chapter 421J, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§421J- Association fiscal matters; lien for
5 assessments. All sums assessed by the association but unpaid
6 for the share of the common expenses chargeable to any unit
7 shall constitute a lien on the unit with priority over all other
8 liens, except:

- 9 (1) Liens for taxes and assessments lawfully imposed by a
10 governmental authority against the unit; and
11 (2) All sums unpaid on any mortgage of record that was
12 recorded prior to the recordation of a notice of a
13 lien by the association, and costs and expenses
14 including attorneys' fees provided in such mortgages."

15 SECTION 2. Section 421J-2, Hawaii Revised Statutes, is
16 amended by adding a new definition to be appropriately inserted
17 and to read as follows:



1 "Common expenses" means expenses connected with the
2 provision or maintenance of facilities or services for the
3 benefit of some or all of the units, the owners, or occupants of
4 the units, or the common areas of the planned community."

5 SECTION 3. Section 667-40, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "[~~§~~667-40~~§~~] **Use of power of sale foreclosure in certain**
8 **non- mortgage situations.** A power of sale foreclosure under
9 this part may be used in certain non-mortgage situations where a
10 law or a written document contains, authorizes, permits, or
11 provides for a power of sale, a power of sale foreclosure, a
12 power of sale remedy, or a nonjudicial foreclosure. These laws
13 or written documents are limited to those involving time share
14 plans, condominium property regimes, planned communities, and
15 agreements of sale."

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 Statutory material to be repealed is bracketed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

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1 SECTION 5. This Act shall take effect on July 1, 2010.

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INTRODUCED BY:

Archie Galt



Report Title:

Planned Communities; Nonjudicial Foreclosure; Residential Real Property

Description:

Grants planned community associations the authority to pursue nonjudicial foreclosure as a remedy for the nonpayment of assessments for common expenses.

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