

JAN 21 2010

A BILL FOR AN ACT

RELATING TO RESIDENTIAL REAL PROPERTY.

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

1 SECTION 1. Section 421J-7, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Association documents, the most current financial
4 statement of the association, and the minutes of the most recent
5 meeting of the board of directors [~~+~~]other than minutes of
6 executive sessions[~~+~~] shall be made available for examination by
7 any member [~~at no cost, on twenty-four hour loan or during~~
8 ~~reasonable hours.~~] or prospective purchaser and their respective
9 agents:

- 10 (1) For review during normal business hours or on twenty-
11 four-hour loan subject to reasonable terms of access;
12 (2) In hard copy form for a reasonable fee which shall not
13 exceed the greater of twenty cents per page or the
14 rate charged by the Internal Revenue Service for
15 copying charges for Freedom of Information Act
16 requests by commercial requesters; and



1 (3) In electronic form through a website maintained by the
2 property management company and accessible to the
3 public at no charge."

4 SECTION 2. Section 514A-84.5, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "**§514A-84.5 Availability of project documents.** (a) An
7 accurate copy of the declaration of condominium property regime,
8 the bylaws of the association of apartment owners, the house
9 rules, if any, the master lease, if any, a sample original
10 conveyance document, all public reports and any amendments
11 thereto, and the annual operating budget shall be kept at the
12 managing agent's office.

13 (b) The managing agent shall [~~provide copies of these~~]
14 make available the documents listed in subsection (a) to
15 owners [7] and prospective purchasers, and their [prospective]
16 respective agents [during normal business hours, upon payment to
17 the managing agent of a reasonable charge to defray any
18 administrative or duplicating costs.]:

19 (1) For review during normal business hours and subject to
20 reasonable terms of access at the managing agent's
21 office;



1 (2) In hard copy form for a reasonable fee which shall not
2 exceed the greater of twenty cents per page or the
3 rate charged by the Internal Revenue Service for
4 copying charges for Freedom of Information Act
5 requests by commercial requesters; and

6 (3) Electronically through a website maintained by the
7 property management company and accessible to the
8 public at no charge.

9 (c) [~~In the event that~~] If the project is not managed by a
10 managing agent, the foregoing requirements shall be undertaken by
11 a person or entity[, ~~if any, employed by the association of~~
12 ~~apartment owners,~~] to whom this function is delegated[~~-~~] by the
13 association of apartment owners."

14 SECTION 3. Section 514B-152, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "~~{}~~§514B-152~~{}~~ **Association records; generally.** (a) The
17 association shall keep financial and other records sufficiently
18 detailed to enable the association to comply with requests for
19 information and disclosures related to resale of units. Except
20 as otherwise provided by law, all financial and other records
21 shall be made reasonably available for examination by any unit
22 owner and the owner's authorized agents. Association records



1 shall be stored on the island on which the association's project
2 is located; provided that if original records, including but not
3 limited to invoices, are required to be sent off-island, copies
4 of the records shall be maintained on the island on which the
5 association's project is located.

6 (b) The association shall make available the documents
7 listed in subsection (a) to owners and prospective purchasers,
8 and their respective agents:

9 (1) For review during normal business hours and subject to
10 reasonable terms of access at a location designated by
11 the association on the island on which the
12 association's property is located;

13 (2) In hard copy form for a reasonable fee which shall not
14 exceed the greater of twenty cents per page or the
15 rate charged by the Internal Revenue Service for
16 copying charges for Freedom of Information Act
17 requests by commercial requesters; and

18 (3) In electronic form through a website maintained by the
19 association and accessible to the public at no
20 charge."

21 SECTION 4. Section 514B-153, Hawaii Revised Statutes, is
22 amended to read as follows:



1 "§514B-153 Association records; records to be maintained.

2 (a) An accurate copy of the declaration, bylaws, house rules,
3 if any, master lease, if any, a sample original conveyance
4 document, all public reports and any amendments thereto, shall
5 be kept at the managing agent's office. The managing agent
6 shall make available the documents listed in this subsection to
7 owners and prospective purchasers, and their respective agents:

8 (1) For review during normal business hours and subject to
9 reasonable terms of access at the managing agent's
10 office;

11 (2) In hard copy form for a reasonable fee which shall not
12 exceed the greater of twenty cents per page or the
13 rate charged by the Internal Revenue Service for
14 copying charges for Freedom of Information Act
15 requests by commercial requesters; and

16 (3) In electronic form through a website maintained by the
17 property management company and accessible to the
18 public at no charge.

19 (b) The managing agent or board shall keep detailed,
20 accurate records in chronological order, of the receipts and
21 expenditures affecting the common elements, specifying and
22 itemizing the maintenance and repair expenses of the common



1 elements and any other expenses incurred. The managing agent or
2 board shall also keep monthly statements indicating the total
3 current delinquent dollar amount of any unpaid assessments for
4 common expenses.

5 (c) Subject to section 514B-152, all records and the
6 vouchers authorizing the payments and statements shall be kept
7 and maintained at the address of the project, or elsewhere
8 within the State as determined by the board.

9 (d) The developer or affiliate of the developer, board,
10 and managing agent shall ensure that there is a written contract
11 for managing the operation of the property, expressing the
12 agreements of all parties, including but not limited to
13 financial and accounting obligations, services provided, and any
14 compensation arrangements, including any subsequent amendments.
15 Copies of the executed contract and any amendments shall be
16 provided to all parties to the contract.

17 (e) The managing agent, resident manager, or board shall
18 keep an accurate and current list of members of the association
19 and their current addresses, and the names and addresses of the
20 vendees under an agreement of sale, if any. The list shall be
21 maintained at a place designated by the board, and a copy shall
22 be available, at cost, to any member of the association as



1 provided in the declaration or bylaws or rules and regulations
2 or, in any case, to any member who furnishes to the managing
3 agent or resident manager or the board a duly executed and
4 acknowledged affidavit stating that the list:

5 (1) Will be used by the owner personally and only for the
6 purpose of soliciting votes or proxies, or for
7 providing information to other owners with respect to
8 association matters; and

9 (2) Shall not be used by the owner or furnished to anyone
10 else for any other purpose.

11 A board may prohibit commercial solicitations.

12 (f) The managing agent or resident manager shall not use
13 or distribute any membership list, including for commercial or
14 political purposes, without the prior written consent of the
15 board.

16 (g) All membership lists are the property of the
17 association and any membership lists contained in the managing
18 agent's or resident manager's records are subject to subsections

19 (e) and (f), and this subsection. A managing agent, resident
20 manager, or board may not use the information contained in the
21 lists to create any separate list for the purpose of evading
22 this section.



1 (h) Subsections (f) and (g) shall not apply to any time
2 share plan regulated under chapter 514E.

3 (i) If a project is not managed by a managing agent, the
4 foregoing requirements shall be undertaken by a person or entity
5 to whom this function is delegated by the association of apartment
6 owners."

7 SECTION 5. Section 514B-154, Hawaii Revised Statutes, is
8 amended by amending subsection (d) to read as follows:

9 "(d) The managing agent shall provide copies of
10 association records maintained pursuant to this section [~~and~~
11 ~~sections 514B-152 and 514B-153]~~ to owners, prospective
12 purchasers, and their [~~prospective~~] respective agents [~~during~~
13 ~~normal business hours, upon payment to the managing agent of a~~
14 ~~reasonable charge to defray any administrative or duplicating~~
15 ~~costs-]~~]:

16 (1) For review during normal business hours and subject to
17 reasonable terms of access at the managing agent's
18 office; and

19 (2) In hard copy form for a reasonable fee which shall not
20 exceed the greater of twenty cents per page or the
21 rate charged by the Internal Revenue Service for



1 copying charges for Freedom of Information Act
2 requests by commercial requesters.

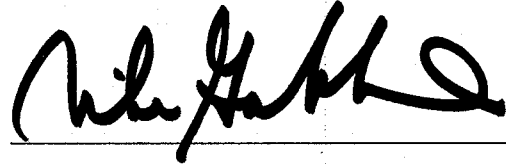
3 If the project is not managed by a managing agent, the foregoing
4 requirements shall be undertaken by a person or entity, if any,
5 employed by the association, to whom this function is
6 delegated."

7 SECTION 6. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

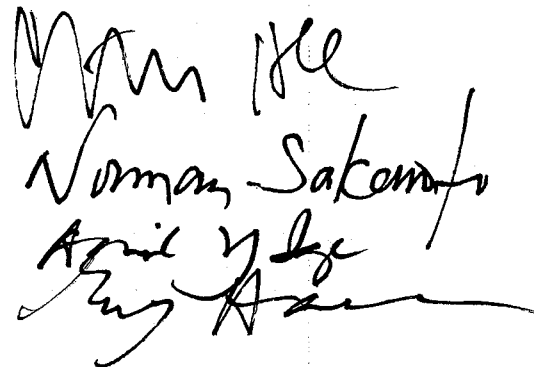
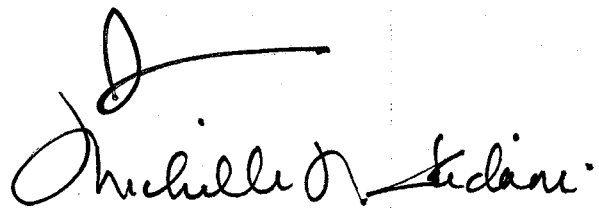
9 SECTION 7. This Act shall take effect on July 1, 2010.

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INTRODUCED BY:



Suzanne Chun Oakland



Report Title:

Condominiums; Residential Real Property; Planned Community

Description:

Requires that condominium property managers associations of apartment owners, and planned community associations make association documents available to owners, prospective purchasers, and their agents under reasonable terms and for reasonable costs.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

