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## 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  
7 by any member [~~at no cost, on twenty-four hour loan or during~~  
8 ~~reasonable hours.~~]:

9           (1) During normal business hours or on twenty-four-hour  
10           loan subject to reasonable terms of access;

11           (2) In hard copy form for a reasonable fee that 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."



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

3 "§514A-84.5 Availability of project documents. (a) An  
4 accurate copy of the declaration of condominium property regime,  
5 the bylaws of the association of apartment owners, the house  
6 rules, if any, the master lease, if any, a sample original  
7 conveyance document, all public reports and any amendments  
8 thereto, and the annual operating budget shall be kept at the  
9 managing agent's office.

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

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

19 (2) In hard copy form for a reasonable fee that 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; and

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

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

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

13           "~~[+]§514B-152[+]~~ **Association records; generally.** (a) The  
14 association shall keep financial and other records sufficiently  
15 detailed to enable the association to comply with requests for  
16 information and disclosures related to resale of units. Except  
17 as otherwise provided by law, all financial and other records  
18 shall be made reasonably available for examination by any unit  
19 owner and the owner's authorized agents. Association records  
20 shall be stored on the island on which the association's project  
21 is located; provided that if original records, including but not  
22 limited to invoices, are required to be sent off-island, copies



1 of the records shall be maintained on the island on which the  
2 association's project is located.

3 (b) The association shall make the financial and other  
4 records of the association available to owners and their  
5 respective agents:

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

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

15 (3) In electronic form through a website maintained by the  
16 association and accessible to the public at no  
17 charge."

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

20 **"§514B-153 Association records; records to be maintained.**

21 (a) An accurate copy of the declaration, bylaws, house rules,  
22 if any, master lease, if any, a sample original conveyance



1 document, all public reports and any amendments thereto, shall  
2 be kept at the managing agent's office. The managing agent  
3 shall make the documents listed in this subsection available to  
4 owners and their respective agents:

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

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

13 (3) In electronic form through a website maintained by the  
14 property management company and accessible to the  
15 public at no charge.

16 (b) The managing agent or board shall keep, in  
17 chronological order, detailed, accurate records [~~in~~  
18 ~~ehronological order,~~] of the receipts and expenditures affecting  
19 the common elements, specifying and itemizing the maintenance  
20 and repair expenses of the common elements and any other  
21 expenses incurred. The managing agent or board shall also keep



1 monthly statements indicating the total current delinquent  
2 dollar amount of any unpaid assessments for common expenses.

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

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

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



1 agent [øæ], resident manager, or the board a duly executed and  
2 acknowledged affidavit stating that the list:

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

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

9 A board may prohibit commercial solicitations.

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

14 (g) All membership lists are the property of the  
15 association and any membership lists contained in the managing  
16 agent's or resident manager's records are subject to subsections  
17 (e) and (f), and this subsection. A managing agent, resident  
18 manager, or board may not use the information contained in the  
19 lists to create any separate list for the purpose of evading  
20 this section.

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



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

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

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

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

17        (2) In hard copy form for a reasonable fee that shall not  
18 exceed the greater of twenty cents per page or the  
19 rate charged by the Internal Revenue Service for  
20 copying charges for Freedom of Information Act  
21 requests by commercial requesters.





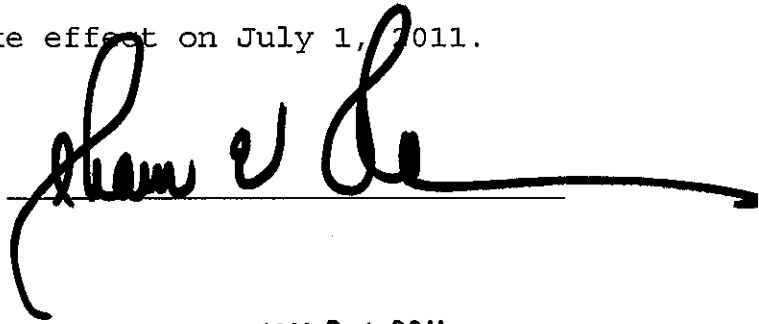
1 If the project is not managed by a managing agent, the foregoing  
2 requirements shall be undertaken by [a] the person or entity, if  
3 any, employed by the association, to whom this function is  
4 delegated."

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

7 SECTION 7. This Act shall take effect on July 1, 2011.

8

INTRODUCED BY:



JAN 21 2011



**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 and their respective 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.*

