
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;

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
16 the property management company, if available and
17 accessible to the members."



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 those~~] 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 during normal business hours;
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; and



1 (3) In electronic form through a website, maintained by
2 the property management company, if available and
3 accessible to the unit owners.

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

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

11 "~~{}~~**§514B-152**~~{}~~ **Association records; generally.** (a) The
12 association shall keep financial and other records sufficiently
13 detailed to enable the association to comply with requests for
14 information and disclosures related to resale of units. Except
15 as otherwise provided by law, all financial and other records
16 shall be made reasonably available for examination by any unit
17 owner and the owner's authorized agents. Association records
18 shall be stored on the island on which the association's project
19 is located; provided that if original records, including but not
20 limited to invoices, are required to be sent off-island, copies
21 of the records shall be maintained on the island on which the
22 association's project is located.



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

4 (1) For review during normal business hours;

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

10 (3) In electronic form through a website, maintained by
11 the association, if available and accessible to the
12 owners."

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

15 **"§514B-153 Association records; records to be maintained.**

16 (a) An accurate copy of the declaration, bylaws, house rules,
17 if any, master lease, if any, a sample original conveyance
18 document, all public reports and any amendments thereto, shall
19 be kept at the managing agent's office. The managing agent
20 shall make the documents listed in this subsection available to
21 owners and their respective agents:

22 (1) For review during normal business hours;



1 (2) In hard copy form for a reasonable fee that 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) In electronic form through a website, maintained by
7 the property management company, if available and
8 accessible to the unit owners.

9 (b) The managing agent or board shall keep, in
10 chronological order, detailed, accurate records [~~in~~
11 ~~chronological order,~~] of the receipts and expenditures affecting
12 the common elements, specifying and itemizing the maintenance
13 and repair expenses of the common elements and any other
14 expenses incurred. The managing agent or board shall also keep
15 monthly statements indicating the total current delinquent
16 dollar amount of any unpaid assessments for common expenses.

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

21 (d) The developer or affiliate of the developer, board,
22 and managing agent shall ensure that there is a written contract



1 for managing the operation of the property, expressing the
2 agreements of all parties, including but not limited to
3 financial and accounting obligations, services provided, and any
4 compensation arrangements, including any subsequent amendments.
5 Copies of the executed contract and any amendments shall be
6 provided to all parties to the contract.

7 (e) The managing agent, resident manager, or board shall
8 keep an accurate and current list of members of the association
9 and their current addresses, and the names and addresses of the
10 vendees under an agreement of sale, if any. The list shall be
11 maintained at a place designated by the board, and a copy shall
12 be available, at cost, to any member of the association as
13 provided in the declaration or bylaws or rules and regulations
14 or, in any case, to any member who furnishes to the managing
15 agent [~~or~~], resident manager, or the board a duly executed and
16 acknowledged affidavit stating that the list:

- 17 (1) Will be used by the owner personally and only for the
18 purpose of soliciting votes or proxies, or for
19 providing information to other owners with respect to
20 association matters; and
21 (2) Shall not be used by the owner or furnished to anyone
22 else for any other purpose.



1 A board may prohibit commercial solicitations.

2 (f) The managing agent or resident manager shall not use
3 or distribute any membership list, including for commercial or
4 political purposes, without the prior written consent of the
5 board.

6 (g) All membership lists are the property of the
7 association and any membership lists contained in the managing
8 agent's or resident manager's records are subject to subsections
9 (e) and (f), and this subsection. A managing agent, resident
10 manager, or board may not use the information contained in the
11 lists to create any separate list for the purpose of evading
12 this section.

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

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

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

21 "(d) The managing agent shall provide copies of
22 association records maintained pursuant to this section [~~and~~



1 ~~sections 514B-152 and 514B-153]~~ to owners, prospective
2 purchasers, and their [~~prospective~~] respective agents [~~during~~
3 ~~normal business hours, upon payment to the managing agent of a~~
4 ~~reasonable charge to defray any administrative or duplicating~~
5 ~~costs.~~];

- 6 (1) For review during normal business hours; and
7 (2) In hard copy form for a reasonable fee that shall not
8 exceed the greater of twenty cents per page or the
9 rate charged by the Internal Revenue Service for
10 copying charges for Freedom of Information Act
11 requests by commercial requesters.

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

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

18 SECTION 7. This Act shall take effect on July 1, 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. Effective July 1, 2011. (HB581 HD1)

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

