
A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

1 SECTION 1. The legislature finds that many older
2 condominium projects in Hawaii operate with only a single meter
3 measuring the consumption of utilities, such as gas, water, and
4 electricity, for all units within the condominium.

5 Consequently, utility expenses are paid for as a common expense
6 based on each unit's undivided interest in the condominium,
7 rather than individual units paying for the units' actual
8 utility usage.

9 The legislature finds that this method of apportioning
10 utility costs is unfair to both unit owners and the condominium
11 association. A unit owner faces no consequences for wasteful
12 energy consumption, such as leaving lights or air conditioning
13 on at all times. Unit owners with vacant units, such as part-
14 time residents or owners of unoccupied rental units, are also at
15 a disadvantage. For example, a three-bedroom unit with a higher
16 undivided interest than a studio apartment will pay a higher
17 utility cost, regardless of whether the unit is occupied or
18 vacant. The legislature further finds that wasteful or



1 excessive utility use results in higher costs for the
2 association when utility costs are paid for as a common expense.

3 The legislature also finds that the patent unfairness of
4 common utility metering in condominium associations was
5 addressed by Act 176, Session Laws of Hawaii 1977, and Act 93,
6 Session Laws of Hawaii 2005, which added new sections to
7 chapters 514A and 514B, Hawaii Revised Statutes, respectively,
8 to require individual metering of condominium units. However,
9 these requirements only apply to projects for which construction
10 commenced from 1978. Condominiums constructed before 1978 are
11 unable to benefit from those laws. The legislature finds that
12 modern technology permits the individual metering of utilities
13 in many instances for a reasonable cost regardless of the age or
14 construction design of the condominium project.

15 The purpose of this Act is to permit a condominium board of
16 directors to authorize the installation of utility meters to
17 determine utility use by individual units, provided that the
18 condominium association bears the cost of installing the utility
19 meters.

20 SECTION 2. Section 514A-15.5, Hawaii Revised Statutes, is
21 amended to read as follows:



1 "§514A-15.5 Metering of utilities. (a) Notwithstanding
2 the provisions of section 514A-15, commercial apartments in
3 mixed-use projects containing apartments for both residential
4 and commercial use, the construction of which commences after
5 December 31, 1977, shall have a separate meter, or calculations
6 shall be made, or both, to determine the use by the commercial
7 apartments of utilities, including electricity, water, gas,
8 fuel, oil, sewerage, and drainage and the cost of ~~[such]~~ the
9 utilities shall be paid by the owners of ~~[such]~~ the commercial
10 units; provided that the apportionment of ~~[such]~~ the charges
11 among owners of commercial apartments shall be done in a fair
12 and equitable manner as set forth in the declaration or bylaws.

13 Notwithstanding any provision to the contrary in this
14 chapter or in a project's declaration or bylaws of an
15 association of apartment owners, the board of directors may
16 authorize the installation of separate meters to determine the
17 use by each of the residential and commercial apartments of
18 utilities, including electricity, water, gas, fuel, oil,
19 sewerage, and drainage; provided that the cost of installing the
20 meters shall be paid by the association.

21 (b) ~~[Subject to]~~ Notwithstanding any approval requirements
22 and spending limits contained in the declaration or bylaws of an

1 association of apartment owners, the board of directors may
 2 authorize the installation of meters to determine the use by the
 3 residential and commercial apartments of utilities, including
 4 electricity, water, gas, fuel, oil, sewerage, and drainage[-];
 5 provided that the cost of installing the meters shall be paid by
 6 the association. The cost of metered utilities shall be paid by
 7 the owners of [~~such~~] the apartments based on actual consumption
 8 and may be collected in the same manner as common expense
 9 assessments. Owners' maintenance fees shall be adjusted as
 10 necessary to avoid any duplication of charges to these owners
 11 for the cost of metered utilities."

12 SECTION 3. Section 514B-42, Hawaii Revised Statutes, is
 13 amended to read as follows:

14 "[+]§514B-42[+] **Metering of utilities.** (a) Units in a
 15 project that includes units designated for both residential and
 16 nonresidential use shall have separate meters, or calculations
 17 shall be made, or both, as may be practicable, to determine the
 18 use by the nonresidential units of utilities, including
 19 electricity, water, gas, fuel, oil, sewerage, air conditioning,
 20 chiller water, and drainage, and the cost of [~~such~~] the
 21 utilities shall be paid by the owners of the nonresidential
 22 units; provided that the apportionment of the charges among



1 owners of nonresidential units shall be done in a fair and
2 equitable manner as set forth in the declaration or bylaws. The
3 requirements of this subsection shall not apply to projects for
4 which construction commenced before January 1, 1978.

5 Notwithstanding any provision to the contrary in this
6 chapter or in a project's declaration or bylaws the board may
7 authorize the installation of separate meters to determine the
8 use by each of the residential and commercial units of
9 utilities, including electricity, water, gas, fuel, oil,
10 sewerage, and drainage; provided that the cost of installing the
11 meters shall be paid by the association.

12 (b) [~~Subject to~~] Notwithstanding any approval requirements
13 and spending limits contained in a project's declaration or
14 bylaws, a board may authorize the installation of meters to
15 determine the use by the individual units of utilities,
16 including electricity, water, gas, fuel, oil, sewerage, air
17 conditioning, chiller water, and drainage[-]; provided that the
18 cost of installing the meters shall be paid by the association.

19 The cost of metered utilities shall be paid by the owners of the
20 units based on actual consumption and, to the extent not billed
21 directly to the unit owner by the utility provider, may be
22 collected in the same manner as common expense assessments.



1 Owners' maintenance fees shall be adjusted as necessary to avoid
2 any duplication of charges to owners for the cost of metered
3 utilities."

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

6 SECTION 5. This Act shall take effect upon its approval.

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Report Title:

Condominiums; Metering of Utilities

Description:

Allows a condominium board to authorize the installation of separate utility meters, notwithstanding the provisions of a project's declaration or association's bylaws, provided that the association pays the cost of installing the meters.

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