
A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

1 SECTION 1. Section 514B-3, Hawaii Revised Statutes, is
2 amended by amending the definition of ""majority" or "majority
3 of unit owners"" to read as follows:

4 ""Majority" or "majority of the unit owners" means the
5 owners of units to which are appurtenant more than fifty per
6 cent of the common interests. Any specified percentage of the
7 unit owners means the owners of units to which are appurtenant
8 such percentage of the common interest."

9 SECTION 2. Section 514B-23, Hawaii Revised Statutes, is
10 amended by amending subsection (b) to read as follows:

11 "(b) An amendment to the declaration, bylaws, condominium
12 map or other constituent documents authorized by this section
13 may be adopted by the vote or written consent of a majority of
14 the unit owners; provided that any amendment adopted pursuant to
15 this section shall not invalidate the reserved rights of a
16 developer. If an amendment grants to any person any rights,
17 powers, or privileges permitted by this chapter, all correlative



1 obligations, liabilities, and restrictions in this chapter also
2 apply to that person."

3 SECTION 3. Section 514B-106, Hawaii Revised Statutes, is
4 amended by amending subsection (e) to read as follows:

5 "(e) Not later than the termination of any period of
6 developer control, the unit owners shall elect a board of at
7 least three members; provided that projects created after
8 May 18, 1984, with one hundred or more individual units, shall
9 have an elected board of at least nine members unless the
10 membership has amended the bylaws to reduce the number of
11 directors; and provided further that projects with more than one
12 hundred individual units where at least seventy per cent of the
13 unit owners do not reside at the project may amend the bylaws to
14 reduce the board to as few as five members by the written
15 consent of a majority of the unit owners or the vote of a
16 majority of a quorum at any annual meeting or special meeting
17 called for that purpose. The association may rely on its
18 membership records in determining whether a unit is owner-
19 occupied. A decrease in the number of directors shall not
20 deprive an incumbent director of any remaining term of office."

21 SECTION 4. Section 514B-107, Hawaii Revised Statutes, is
22 amended by amending subsection (d) to read as follows:



1 "(d) Directors shall not expend association funds for
2 their travel, directors' fees, and per diem, unless owners are
3 informed and a majority approve of these expenses; provided
4 that, with the approval of the board, directors may be
5 reimbursed for actual expenditures incurred on behalf of the
6 association. The board meeting minutes shall reflect in detail
7 the items and amounts of the reimbursements."

8 SECTION 5. Section 514B-143, Hawaii Revised Statutes, is
9 amended by amending subsection (g) to read as follows:

10 "(g) The board, with the vote or written consent of a
11 majority of the unit owners, may require unit owners to obtain
12 reasonable types and levels of insurance. The liability of a
13 unit owner shall include but not be limited to the deductible of
14 the owner whose unit was damaged, any damage not covered by
15 insurance required by this subsection, as well as the
16 decorating, painting, wall and floor coverings, trim,
17 appliances, equipment, and other furnishings.

18 If the unit owner does not purchase or produce evidence of
19 insurance requested by the board, the directors may, in good
20 faith, purchase the insurance coverage and charge the reasonable
21 premium cost back to the unit owner. In no event is the
22 association or board liable to any person either with regard to



1 the failure of a unit owner to purchase insurance or a decision
2 by the board not to purchase the insurance for the owner, or
3 with regard to the timing of its purchase of the insurance or
4 the amounts or types of coverages obtained."

5 SECTION 6. Section 514B-149, Hawaii Revised Statutes, is
6 amended by amending subsection (b) to read as follows:

7 "(b) For purposes of subsection (a), lease rent
8 collections and rental operations shall not include the rental
9 or leasing of common elements that is conducted on behalf of the
10 association or the collection of ground lease rents from
11 individual unit owners of a project and the payment of such
12 ground lease rents to the ground lessor if:

13 (1) The collection is allowed by the provisions of the
14 declaration, bylaws, master deed, master lease, or
15 individual unit leases of the project;

16 (2) A management contract requires the managing agent to
17 collect ground lease rents from the individual unit
18 owners and pay the ground lease rents to the ground
19 lessor;

20 (3) The system of lease rent collection has been approved
21 at a meeting of the association by a [~~majority~~] vote



1 of ~~[all]~~ a majority of all the unit owners ~~[at a~~
2 ~~meeting of the association]~~; and

3 (4) The managing agent or association does not pay ground
4 lease rent to the ground lessor in excess of actual
5 ground lease rent collected from individual unit
6 owners."

7 SECTION 7. Section 514B-150, Hawaii Revised Statutes, is
8 amended by amending subsection (a) to read as follows:

9 "(a) The association shall require an annual audit of the
10 association financial accounts and no less than one annual
11 unannounced verification of the association's cash balance by a
12 public accountant; provided that if the association is comprised
13 of less than twenty units, the annual audit and the annual
14 unannounced cash balance verification may be waived at an
15 association meeting by a ~~[majority]~~ vote of ~~[all]~~ a majority of
16 all the unit owners ~~[taken at an association meeting]~~."

17 SECTION 8. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 9. This Act shall take effect on July 1, 2112.



Report Title:

Condominiums; Clarifying Amendments

Description:

Makes technical nonsubstantive amendments to the condominium law. Effective July 1, 2112. (HB2482 HD1)

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

