
A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

1 SECTION 1. Section 514B-104, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Except as provided in section 514B-105, and subject
4 to the provisions of the declaration and bylaws, the
5 association, even if unincorporated, may:

6 (1) Adopt and amend the declaration, bylaws, and rules and
7 regulations;

8 (2) Adopt and amend budgets for revenues, expenditures,
9 and reserves and collect assessments for common
10 expenses from unit owners, subject to section
11 514B-148;

12 (3) Hire and discharge [~~managing agents and other~~]
13 independent contractors, agents, and employees;

14 (4) Institute, defend, or intervene in litigation or
15 administrative proceedings in its own name on behalf
16 of itself or two or more unit owners on matters
17 affecting the condominium. For the purposes of



- 1 actions under chapter 480, associations shall be
2 deemed to be "consumers";
- 3 (5) Make contracts and incur liabilities;
- 4 (6) Regulate the use, maintenance, repair, replacement,
5 and modification of common elements;
- 6 (7) Cause additional improvements to be made as a part of
7 the common elements;
- 8 (8) Acquire, hold, encumber, and convey in its own name
9 any right, title, or interest to real or personal
10 property; provided that:
- 11 (A) Designation of additional areas to be common
12 elements or subject to common expenses after the
13 initial filing of the declaration or bylaws shall
14 require the approval of at least sixty-seven per
15 cent of the unit owners;
- 16 (B) If the developer discloses to the initial buyer
17 in writing that additional areas will be
18 designated as common elements whether pursuant to
19 an incremental or phased project or otherwise,
20 the requirements of this paragraph shall not
21 apply as to those additional areas; and



1 (C) The requirements of this paragraph shall not
2 apply to the purchase of a unit for a resident
3 manager, which may be purchased with the approval
4 of the board;

5 (9) Subject to section 514B-38, grant easements, leases,
6 licenses, and concessions through or over the common
7 elements and permit encroachments on the common
8 elements;

9 (10) Impose and receive any payments, fees, or charges for
10 the use, rental, or operation of the common elements,
11 other than limited common elements described in
12 section 514B-35(2) and (4), and for services provided
13 to unit owners;

14 (11) Impose charges and penalties, including late fees and
15 interest, for late payment of assessments and levy
16 reasonable fines for violations of the declaration,
17 bylaws, rules, and regulations of the association,
18 either in accordance with the bylaws or, if the bylaws
19 are silent, pursuant to a resolution adopted by the
20 board that establishes a fining procedure that states
21 the basis for the fine and allows an appeal to the
22 board of the fine with notice and an opportunity to be



- 1 heard and providing that if the fine is paid, the unit
2 owner shall have the right to initiate a dispute
3 resolution process as provided by sections 514B-161,
4 514B-162, or by filing a request for an administrative
5 hearing under a pilot program administered by the
6 department of commerce and consumer affairs;
- 7 (12) Impose reasonable charges for the preparation and
8 recordation of amendments to the declaration,
9 documents requested for resale of units, or statements
10 of unpaid assessments;
- 11 (13) Provide for cumulative voting through a provision in
12 the bylaws;
- 13 (14) Provide for the indemnification of its officers,
14 board, committee members, and agents, and maintain
15 directors' and officers' liability insurance;
- 16 (15) Assign its right to future income, including the right
17 to receive common expense assessments, but only to the
18 extent section 514B-105(e) expressly so provides;
- 19 (16) Exercise any other powers conferred by the declaration
20 or bylaws;
- 21 (17) Exercise all other powers that may be exercised in
22 this State by legal entities of the same type as the



- 1 association, except to the extent inconsistent with
2 this chapter;
- 3 (18) Exercise any other powers necessary and proper for the
4 governance and operation of the association; [~~and~~]
- 5 (19) By regulation, subject to sections 514B-146, 514B-161,
6 and 514B-162, require that disputes between the board
7 and unit owners or between two or more unit owners
8 regarding the condominium be submitted to nonbinding
9 alternative dispute resolution in the manner described
10 in the regulation as a prerequisite to commencement of
11 a judicial proceeding[-]; and
- 12 (20) Notwithstanding any provision of law to the contrary,
13 beginning July 1, 2014, review the hiring or continued
14 employment of a managing agent at an association
15 meeting. A managing agent may be discharged subject
16 to review under this paragraph if voted on by a
17 majority of unit owners. Managing agents discharged
18 under this review shall be employed on a month-to-
19 month basis until a replacement managing agent is
20 employed."



1 SECTION 2. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 3. This Act shall take effect on July 1, 2050.



Report Title:

Condominium Associations; Managing Agent; Condominium Boards

Description:

Provides that condominium associations may call for the review and discharge of a managing agent hired by the association upon a majority vote by the association members. Effective July 1, 2050. (HB2656 HD1)

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

