

JAN 22 2016

A BILL FOR AN ACT

RELATING TO DELINQUENT ASSESSMENTS.

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

- 1 SECTION 1. Chapter 421J, Hawaii Revised Statutes, is
2 amended by adding two new sections to be appropriately
3 designated and to read as follows:
- 4 "§421J- Delinquent assessments; payment plan. (a) A
5 member may submit a payment plan within thirty days after
6 receiving notice from an association regarding any delinquent
7 assessments. The member shall submit the payment plan to the
8 association or its attorney by certified mail return receipt
9 requested or by hand delivery. The association shall not reject
10 a reasonable payment plan.
- 11 (b) A member's failure to perform any agreed-upon payment
12 plan shall entitle the association to pursue remedies available
13 pursuant to part IA of chapter 667.
- 14 (c) For purposes of this section, "reasonable payment
15 plan" means a plan that provides for:
- 16 (1) Timely payment of all assessments that become due
17 after the date that the payment plan is proposed; and



1 (2) Additional monthly payments of an amount sufficient to
2 cure the delinquent assessments, within a reasonable
3 period under the circumstances as determined by the
4 board of directors in its discretion; provided that a
5 period of up to twelve months shall be deemed
6 reasonable; provided further that the board of
7 directors shall have the discretion to agree to a
8 payment plan in excess of twelve months.

9 §421J- Delinquent assessments; removal or adoption of
10 foreclosure authority. A provision in the declaration, bylaws,
11 or other governing documents of an association of apartment
12 owners that grants a right to judicially foreclose a lien
13 against any unit that arises solely from delinquent assessments,
14 including fines, penalties, legal fees, or late fees, may be
15 removed from the declaration, bylaws, or other governing
16 documents or adopted as an amendment to the declaration, bylaws,
17 or other governing documents by a vote of at least sixty-seven
18 per cent of the members."

19 SECTION 2. Chapter 514A, Hawaii Revised Statutes, is
20 amended by adding two new sections to be appropriately
21 designated and to read as follows:



1 "§514A- Delinquent assessments; payment plan. (a) An
2 apartment owner may submit a payment plan within thirty days
3 after receiving notice from an association of apartment owners
4 regarding any delinquent assessments. The apartment owner shall
5 submit the payment plan to the association of apartment owners
6 or its attorney by certified mail return receipt requested or by
7 hand delivery. The association of apartment owners shall not
8 reject a reasonable payment plan.

9 (b) An apartment owner's failure to perform any agreed-
10 upon payment plan shall entitle the association of apartment
11 owners to pursue remedies available pursuant to part IA of
12 chapter 667.

13 (c) For purposes of this section, "reasonable payment
14 plan" means a plan that provides for:

- 15 (1) Timely payment of all assessments that become due
16 after the date that the payment plan is proposed; and
17 (2) Additional monthly payments of an amount sufficient to
18 cure the delinquent assessments, within a reasonable
19 period under the circumstances as determined by the
20 board of directors in its discretion; provided that a
21 period of up to twelve months shall be deemed



1 reasonable; and provided further that the board of
2 directors shall have the discretion to agree to a
3 payment plan in excess of twelve months.

4 §514A- Delinquent assessments; removal or adoption of
5 foreclosure authority. A provision in the declaration, bylaws,
6 or other governing documents of an association of apartment
7 owners that grants a right to judicially foreclose a lien
8 against any apartment that arises solely from delinquent
9 assessments, including fines, penalties, legal fees, or late
10 fees, may be removed from the declaration, bylaws, or other
11 governing documents or adopted as an amendment to the
12 condominium declaration, bylaws, or other governing documents by
13 a vote of at least sixty-seven per cent of the apartment
14 owners."

15 SECTION 3. Chapter 514B, Hawaii Revised Statutes, is
16 amended by adding two new sections to be appropriately
17 designated and to read as follows:

18 "§514B- Delinquent assessments; payment plan. (a) A
19 unit owner may submit a payment plan within thirty days after
20 receiving notice from an association regarding any delinquent
21 assessments. The unit owner shall submit the payment plan to



1 the association or its attorney by certified mail return receipt
2 requested or by hand delivery. The association shall not reject
3 a reasonable payment plan.

4 (b) A unit owner's failure to perform any agreed-upon
5 payment plan shall entitle the association to pursue remedies
6 available pursuant to part IA of chapter 667.

7 (c) For purposes of this section, "reasonable payment
8 plan" means a plan that provides for:

- 9 (1) Timely payment of all assessments that become due
10 after the date that the payment plan is proposed; and
11 (2) Additional monthly payments of an amount sufficient to
12 cure the delinquent assessments, within a reasonable
13 period under the circumstances as determined by the
14 board of directors in its discretion; provided that a
15 period of up to twelve months shall be deemed
16 reasonable; provided further that the board of
17 directors shall have the discretion to agree to a
18 payment plan in excess of twelve months.

19 §514B- Delinquent assessments; removal or adoption of
20 foreclosure authority. A provision in the declaration, bylaws,
21 or other governing documents of an association that grants a




1 right to judicially foreclose a lien against any unit that
 2 arises solely from delinquent assessments, including fines,
 3 penalties, legal fees, or late fees, may be removed from the
 4 declaration, bylaws, or other governing documents or adopted as
 5 an amendment to the declaration, bylaws, or other governing
 6 documents by a vote of at least sixty-seven per cent of the unit
 7 owners."

8 SECTION 4. New statutory material is underscored.

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

10

INTRODUCED BY: 


 Randy H. Baker
 Annellee Stover
 Christine R. France

S.B. NO. 2345

Report Title:

Delinquent Assessments; Planned Community Associations;
Condominiums; Payment Plan; Foreclosure Authority

Description:

Permits owners in a planned community association or condominium to submit a payment plan within thirty days after receiving notice from an association regarding any delinquent assessments and provides owners with time to cure delinquent assessments. Permits a right to judicially foreclose a lien against any unit or apartment that arises solely from delinquent assessments, including fines, penalties, legal fees, or late fees, to be removed or amended from governing documents by a vote of at least sixty-seven per cent of owners.

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

