
A BILL FOR AN ACT

RELATING TO REAL PROPERTY.

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

1 SECTION 1. The legislature finds that under existing law,
2 a condominium unit owner is entitled to certain documents,
3 records, and information regarding the owner's condominium.
4 Existing condominium law needs clarification to ensure
5 condominium owners have timely access to appropriate condominium
6 association documents.

7 The purpose of this Act is to:

- 8 (1) Require an association's meeting minutes and most
9 current financial statement to be made available at
10 the manager's office located on the property and via
11 email or mail;
- 12 (2) Require hard copies of condominium association
13 documents, records, and information to be provided to
14 requesting owners within fifteen days of a request and
15 available for download through an internet site; and
- 16 (3) Specify that failure to make required association
17 documents, records, and information available shall be



1 considered a breach of a board's fiduciary duty with
2 an exception from liability if certain actions are
3 taken.

4 SECTION 2. Section 514B-154.5, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "~~§~~514B-154.5~~§~~ Association documents to be provided.

7 (a) Notwithstanding any other provision in the declaration,
8 bylaws, or house rules, if any, the following documents,
9 records, and information, whether maintained, kept, or required
10 to be provided pursuant to this section or section 514B-152,
11 514B-153, or 514B-154, shall be made available to any unit owner
12 and the owner's authorized agents by the managing agent,
13 resident manager, board through a board member, or the
14 association's representative:

15 (1) All financial and other records sufficiently detailed
16 in order to comply with requests for information and
17 disclosures related to the resale of units;

18 (2) An accurate copy of the declaration, bylaws, house
19 rules, if any, master lease, if any, a sample original
20 conveyance document, and all public reports and any
21 amendments thereto;



- 1 (3) Detailed, accurate records in chronological order of
2 the receipts and expenditures affecting the common
3 elements, specifying and itemizing the maintenance and
4 repair expenses of the common elements and any other
5 expenses incurred and monthly statements indicating
6 the total current delinquent dollar amount of any
7 unpaid assessments for common expenses;
- 8 (4) All records and the vouchers authorizing the payments
9 and statements kept and maintained at the address of
10 the project, or elsewhere within the State as
11 determined by the board, subject to section 514B-152;
- 12 (5) All signed and executed agreements for managing the
13 operation of the property, expressing the agreement of
14 all parties, including but not limited to financial
15 and accounting obligations, services provided, and any
16 compensation arrangements, including any subsequent
17 amendments;
- 18 (6) An accurate and current list of members of the
19 condominium association and the members' current
20 addresses and the names and addresses of the vendees
21 under an agreement of sale, if any. A copy of the



1 list shall be available, at cost, to any unit owner or
2 owner's authorized agent who furnishes to the managing
3 agent, resident manager, or the board a duly executed
4 and acknowledged affidavit stating that the list:

5 (A) Shall be used by the unit owner or owner's
6 authorized agent personally and only for the
7 purpose of soliciting votes or proxies or for
8 providing information to other unit owners with
9 respect to association matters; and

10 (B) Shall not be used by the unit owner or owner's
11 authorized agent or furnished to anyone else for
12 any other purpose;

13 (7) The association's most current financial statement, at
14 no cost or on twenty-four-hour loan, at a [~~convenient~~
15 ~~location designated by the board;~~] manager's office
16 located on the property and in electronic format via
17 e-mail or in hard copy format via mail;

18 (8) Meeting minutes of the association, pursuant to
19 section 514B-122;

20 (9) Meeting minutes of the board, pursuant to section
21 514B-126, which shall be:



- 1 (A) Available for examination by unit owners or
2 owners' authorized agents at no cost or on
3 twenty-four-hour loan at [~~a convenient location~~
4 ~~at the project, to be determined by the board,~~] a
5 manager's office located at the project and in
6 electronic format via e-mail or in hard copy
7 format via mail; or
- 8 (B) Transmitted to any unit owner or owner's
9 authorized agent making a request for the minutes
10 within fifteen days of receipt of the request by
11 the owner or owner's authorized agent; provided
12 that:
- 13 (i) The minutes shall be transmitted by mail,
14 electronic mail transmission, or facsimile,
15 by the means indicated by the owner or
16 owner's authorized agent, if the owner or
17 owner's authorized agent indicated a
18 preference at the time of the request; and
- 19 (ii) The owner or owner's authorized agent shall
20 pay a reasonable fee for administrative



1 costs associated with handling the request,
2 subject to section 514B-105(d);

3 (10) Financial statements, general ledgers, the accounts
4 receivable ledger, accounts payable ledgers, check
5 ledgers, insurance policies, contracts, and invoices
6 of the association for the duration those records are
7 kept by the association, and any documents regarding
8 delinquencies of ninety days or more shall be
9 available for examination by unit owners or owners'
10 authorized agents at convenient hours at a place
11 designated by the board; provided that:

12 (A) The board may require unit owners or owners'
13 authorized agents to furnish to the association a
14 duly executed and acknowledged affidavit stating
15 that the information is requested in good faith
16 for the protection of the interests of the
17 association, its members, or both; and

18 (B) Unit owners or owners' authorized agents shall
19 pay for administrative costs in excess of eight
20 hours per year;



- 1 (11) Proxies, tally sheets, ballots, unit owners' check-in
2 lists, and the certificate of election subject to
3 section 514B-154(c);
- 4 (12) Copies of an association's documents, records, and
5 information, whether maintained, kept, or required to
6 be provided pursuant to this section or section
7 514B-152, 514B-153, or 514B-154;
- 8 (13) A copy of the management contract from the entity that
9 manages the operation of the property before the
10 organization of an association; and
- 11 (14) Other documents requested by a unit owner or owner's
12 authorized agent in writing; provided that the board
13 shall give written authorization or written refusal
14 with an explanation of the refusal within [~~thirty~~
15 ~~calendar days~~] fifteen days of receipt of a request
16 for documents pursuant to this paragraph.
- 17 (b) Subject to section 514B-105(d), copies of the items in
18 subsection (a) shall be provided to any unit owner or owner's
19 authorized agent upon the owner's or owner's authorized agent's
20 request; provided that the owner or owner's authorized agent



1 pays a reasonable fee for duplication, postage, stationery, and
2 other administrative costs associated with handling the request.

3 (c) Notwithstanding any provision in the declaration,
4 bylaws, or house rules providing for another period of time, all
5 documents, records, and information listed under subsection (a),
6 whether maintained, kept, or required to be provided pursuant to
7 this section or section 514B-152, 514B-153, or 514B-154, shall
8 be provided in hard copy format no later than ~~[thirty days]~~
9 fifteen days after receipt of a unit owner's or owner's
10 authorized agent's written request [~~, unless a lesser time is~~
11 ~~provided pursuant to this section or section 514B-152, 514B-153,~~
12 ~~or 514B-154, and except as provided in subsection (a)(14)] .~~

13 (d) Any documents, records, and information, whether
14 maintained, kept, or required to be provided pursuant to this
15 section or section 514B-152, 514B-153, or 514B-154, may be made
16 available electronically to the unit owner or owner's authorized
17 agent if the owner or owner's authorized agent requests such in
18 writing.

19 (e) An association [~~may~~] shall comply with this section or
20 section 514B-152, 514B-153, or 514B-154 by making the required
21 documents, records, and information available to unit owners or



1 owners' authorized agents for download through an internet site,
2 [~~at the option of each unit owner or owner's authorized agent~~
3 ~~and]~~ at no cost to the unit owner or owner's authorized agent.

4 (f) Any fee charged to a unit owner or owner's authorized
5 agent to obtain copies of the association's documents, records,
6 and information, whether maintained, kept, or required to be
7 provided pursuant to this section or section 514B-152, 514B-153,
8 or 514B-154, shall be reasonable; provided that a reasonable fee
9 shall include administrative and duplicating costs and shall not
10 exceed \$1 per page, or portion thereof, except that the fee for
11 pages exceeding eight and one-half inches by fourteen inches may
12 exceed \$1 per page.

13 (g) This section shall apply to [~~condominiums organized]~~
14 organizations under chapter 514A or 514B.

15 (h) Any violation of this section shall be deemed a breach
16 of a board's fiduciary duty under section 514B-106(a); provided
17 that a board member may avoid liability by taking affirmative
18 action to ensure that the association employees and the board's
19 managing agent act in compliance with the required provision of
20 association documents under this section.



1 [~~(h)~~] (i) Nothing in this section shall be construed to
2 create any new requirements for the release of documents,
3 records, or information."

4 SECTION 3. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 4. This Act shall take effect on July 1, 2112.



Report Title:

Real Property; Condominiums; Association Documents, Records, and Information; Required Disclosure

Description:

Sets 15-day time limit for fulfilling condo unit owner's requests for documents, etc. and requires access to the same by Internet download. Requires access to financial documents and association meeting minutes at manager's office on property and via email or mail. Subjects board members to breach of fiduciary duty for noncompliance. (HB650 HD1)

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

