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# A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

1           SECTION 1. Section 514B-105, Hawaii Revised Statutes, is  
2 amended by amending subsection (e) to read as follows:  
3           "(e) Subject to any approval requirements and spending  
4 limits contained in the declaration or bylaws, the association  
5 may authorize the board to borrow money for the repair,  
6 replacement, maintenance, operation, or administration of the  
7 common elements and personal property of the project, or the  
8 making of any additions, alterations, and improvements thereto;  
9 provided that written notice of the purpose and use of the funds  
10 is first sent to all unit owners and owners representing fifty  
11 per cent of the common interest vote or give written consent to  
12 the borrowing[-]; provided further that in the event of a  
13 government mandate for the installation of equipment or  
14 improvements to the common elements for the health and safety of  
15 residents or unit owners and where at least twenty per cent of  
16 the unit owners reside outside of the United States, the board  
17 shall not be required to obtain the consent of the owners to the



1 borrowing. In connection with the borrowing, the board may  
2 grant to the lender the right to assess and collect monthly or  
3 special assessments from the unit owners and to enforce the  
4 payment of the assessments or other sums by statutory lien and  
5 foreclosure proceedings. The cost of the borrowing, including,  
6 without limitation, all principal, interest, commitment fees,  
7 and other expenses payable with respect to the borrowing or the  
8 enforcement of the obligations under the borrowing, shall be a  
9 common expense of the project. For purposes of this section,  
10 the financing of insurance premiums by the association within  
11 the policy period shall not be deemed a loan and no lease shall  
12 be deemed a loan if it provides that at the end of the lease the  
13 association may purchase the leased equipment for its fair  
14 market value."

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 Statutory material to be repealed is bracketed  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

17 SECTION 3. This Act shall take effect on July 1, 2018.



**Report Title:**

Condominiums; Fire Sprinklers; Common Elements; Health and Safety; Government Mandate

**Description:**

Allows a condominium board to borrow money for the installation of equipment or improvements to the common elements for the health and safety of residents and unit owners in the event of a government mandate without the consent of owners where at least twenty percent of owners reside outside of the United States.  
(SD1)

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