

JAN 18 2019

A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

1 SECTION 1. Act 181, Session Laws of Hawaii 2017, is
2 amended by amending section 45 to read as follows:

3 "SECTION 45. Condominium property regimes created prior to
4 July 1, 2006, that were issued an effective date pursuant to
5 ~~[section]~~ sections 514A-40 and 514A-41, Hawaii Revised Statutes,
6 may be sold on or after January 1, 2019, without revising any of
7 the governing documents; provided that the developer's public
8 report was active ~~[on January 1, 2019, and is]~~, non-expired, and
9 accurate ~~[and not misleading. On]~~ between January 1, 2019, ~~[all~~
10 ~~active, non expired chapter 514A, Hawaii Revised Statutes,~~
11 ~~developer's public reports]~~ and July 1, 2020, pursuant to
12 sections 514A-40 and 514A-41, Hawaii Revised Statutes, along
13 with their most recent disclosure abstract, if any, will be
14 treated as non-expiring developer's public reports under part IV
15 of chapter 514B, Hawaii Revised Statutes. Chapter 514A, Hawaii
16 Revised Statutes, developer's public reports shall be treated as
17 non-expiring chapter 514B, Hawaii Revised Statutes, developer's



1 reports on the first day their respective report was accurate
2 and had an active effective date between January 1, 2019, and
3 July 1, 2020. Should any pertinent or material changes, or
4 both, occur to the condominium project, the developer shall file
5 [~~an amended~~] a developer's public report superseding all prior
6 reports pursuant to chapter 514B, Hawaii Revised Statutes;
7 provided that such projects and their subsequent reports filed
8 under chapter 514B, Hawaii Revised Statutes, shall be exempt
9 from the conversion requirements under section 514B-84(a)(1) and
10 (2), Hawaii Revised Statutes. [~~Condominium~~] On July 1, 2020,
11 condominium property regimes created prior to July 1, 2006, that
12 were not issued an effective date pursuant to sections 514A-40
13 and 514A-41, Hawaii Revised Statutes, [~~and~~] did not file a
14 notice of intent pursuant to section 514A-1.5(2)(B), Hawaii
15 Revised Statutes, or have an effective dates expired prior to
16 January 1, 2019, shall revise their governing documents and
17 register under chapter 514B, Hawaii Revised Statutes, for a
18 developer to offer for sale or to sell condominiums.

19 Nothing contained in this Act or in the condominium
20 property act shall be deemed to invalidate any condominium



1 property regime that was validly created under chapter 514A,
2 Hawaii Revised Statutes, prior to July 1, 2006."

3 SECTION 2. Notwithstanding section 2 of Act 181, Session
4 Laws of Hawaii 2017, and subject to section 3 of this Act, the
5 following sections of chapter 514A, Hawaii Revised Statutes,
6 shall remain operative in the form in which they read on
7 December 31, 2018, until June 30, 2020, for the sole purpose of
8 providing developers with sufficient time to update their
9 developer's public reports and associated documents in order to
10 qualify for the safe harbor provisions of section 45 of Act 181,
11 Session Laws of Hawaii 2017, as amended by this Act:

12 Part I. General Provisions and Definitions

- 13 514A-1 Title
- 14 514A-1.5 Applicability of chapter
- 15 514A-1.6 Conformance with county land use ordinances
- 16 514A-2 Chapter not exclusive
- 17 514A-3 Definitions
- 18 514A-4 Status of apartments
- 19 514A-5 Ownership of apartments
- 20 514A-6 Separate taxation

21 Part II. Creation, Alteration, and Termination



- 1 of Condominiums
- 2 514A-11 Recordation and contents of declaration
- 3 514A-12 Copy of the floor plans to be filed
- 4 514A-13 Common elements
- 5 514A-13.6 Mailboxes for each dwelling required
- 6 514A-14 Parking stalls
- 7 514A-14.5 Ownership of parking stalls
- 8 514A-15 Common profits and expenses
- 9 514A-15.1 Common expenses; prior late charges
- 10 514A-15.5 Metering of utilities
- 11 514A-16 Liens against apartments; removal from lien;
- 12 effect of part payment
- 13 514A-17 Contents of deeds or leases of apartments
- 14 514A-18 Blanket mortgages and other blanket liens
- 15 affecting an apartment at time of first
- 16 conveyance or lease
- 17 514A-19 Merger of increments
- 18 514A-20 Condominium property regimes
- 19 514A-21 Removal from provisions of this chapter
- 20 Part III. Registration and Administration
- 21 514A-32 Questionnaire and filing fee



- 1 514A-33 Inspection
- 2 514A-34 Inspection expenses
- 3 514A-35 Waiver of inspection
- 4 514A-36 Public reports and registration fees
- 5 514A-38 Request for effective date or hearing by
- 6 developer
- 7 514A-40 Final reports
- 8 514A-41 Supplementary public report
- 9 514A-42 True copies of public report; no misleading
- 10 information
- 11 514A-43 Automatic expiration of public reports;
- 12 exceptions
- 13 514A-44 Deposit of fees
- 14 514A-45 Supplemental regulations governing a condominium
- 15 property regime
- 16 514A-46 Investigatory powers
- 17 514A-47 Cease and desist orders
- 18 514A-48 Power to enjoin
- 19 514A-49 Penalties
- 20 514A-50 Limitation of action
- 21 Part IV. Protection of Purchasers



- 1 514A-61 Disclosure requirements
- 2 514A-62 Copy of public report to be given to prospective
- 3 purchaser
- 4 514A-63 Rescission rights
- 5 514A-64.5 Protection of purchasers' funds
- 6 514A-65 Escrow requirement
- 7 514A-67 Financing construction
- 8 514A-68 Misleading statements and omissions
- 9 514A-69 Remedies; sales voidable when and by whom
- 10 514A-70 Warranty against structural and appliance
- 11 defects; notice of expiration required

12 SECTION 3. On July 1, 2020, the authority to extend the
 13 operation of the listed sections of chapter 514A, Hawaii Revised
 14 Statutes, that is provided under section 2 to allow developers
 15 to qualify for the safe harbor provisions of section 45 of Act
 16 181, Session Laws of Hawaii 2017, as amended by this Act, shall
 17 expire.

18 SECTION 4. This Act shall take effect upon its approval.

19

INTRODUCED BY: *Rosely H. Bell*
RS



S.B. NO. 552

Report Title:

Condominiums; Condominium Property Regimes; Extension

Description:

Revives for 1 year specified sections of repealed chapter 514A, HRS, to allow developers whose condominium property regimes were issued an effective date pursuant to sections 514A-40 and 514A-41, HRS, to update their public reports without revising any of the associated documents and have their public reports and disclosure abstracts treated as non-expiring developer's public reports under part IV of chapter 514B, HRS.

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

