

---

---

# A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

1 SECTION 1. Section 514B-52, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) An application for registration of a project shall:

4 (1) Be accompanied by nonrefundable fees as provided in

5 rules adopted by the director of commerce and consumer

6 affairs pursuant to chapter 91; and

7 (2) Contain the documents and information concerning the

8 project and the condominium property regime as

9 required by sections 514B-54, 514B-83, [~~and~~] 514B-84,

10 514B-103, 514B-153, and 514B-154, as applicable, and

11 as otherwise may be specified by the commission."

12 SECTION 2. Section 514B-72, Hawaii Revised Statutes, is

13 amended by amending subsection (a) to read as follows:

14 "(a) Each project or association with more than five units

15 shall pay to the department of commerce and consumer affairs:

16 (1) A condominium education trust fund fee within one year

17 after the recordation of the purchase of the first



1 unit or within thirty days of the association's first  
2 meeting, and thereafter, on or before June 30 of every  
3 [~~odd-numbered~~] year, as prescribed by rules adopted  
4 pursuant to chapter 91; [~~and~~]

5 (2) Beginning with the July 1, 2015, biennium  
6 registration, an additional annual condominium  
7 education trust fund fee in an amount equal to the  
8 product of \$1.50 times the number of condominium units  
9 included in the registered project or association to  
10 be dedicated to supporting mediation or voluntary  
11 binding arbitration of condominium related disputes.  
12 The additional condominium education trust fund fee  
13 shall total \$3 per unit until the commission adopts  
14 rules pursuant to chapter 91[-]; and

15 (3) Beginning with the July 1, 2023, annual registration,  
16 an additional annual condominium education trust fund  
17 fee in an amount equal to the product of \$1.50 times  
18 the number of condominium units included in the  
19 registered project or association to be dedicated to  
20 supporting the annual registration with attached  
21 documents of the association.



1 On June 30 of every [~~odd-numbered~~] year, any unexpended  
2 additional amounts paid into the condominium education trust  
3 fund and initially dedicated to supporting mediation or  
4 voluntary binding arbitration of condominium related disputes,  
5 as required by [~~this~~] paragraph[~~7~~] (2), or the annual  
6 registration with attached documents of the association, as  
7 required by paragraph (3), shall be used for educational  
8 purposes as provided in section 514B-71(a)(1), (2), and (3)."

9 SECTION 3. Section 514B-103, Hawaii Revised Statutes, is  
10 amended by amending subsection (a) to read as follows:

11 "(a) Each project or association having more than five  
12 units shall:

13 (1) Secure and maintain a fidelity bond in an amount for  
14 the coverage and terms as required by section  
15 514B-143(a)(3). An association shall act promptly and  
16 diligently to recover from the fidelity bond required  
17 by this section. An association that is unable to  
18 obtain a fidelity bond may seek approval for an  
19 exemption, a deductible, or a bond alternative from  
20 the commission. Current evidence of a fidelity bond  
21 includes a certification statement from an insurance



1 company registered with the department of commerce and  
2 consumer affairs certifying that the bond is in effect  
3 and meets the requirement of this section and the  
4 rules adopted by the commission;

- 5 (2) Register with the commission through approval of a  
6 completed registration application, payment of fees,  
7 and submission of any other additional information set  
8 forth by the commission. The annual registration  
9 shall be [~~for a biennial period with termination~~] due  
10 on June 30 of each [~~odd-numbered~~] year. The  
11 commission shall prescribe a deadline date prior to  
12 the termination date for the submission of a completed  
13 reregistration application, payment of fees, and any  
14 other additional information set forth by the  
15 commission. Any project or association that has not  
16 met the submission requirements by the deadline date  
17 shall be considered a new applicant for registration  
18 and be subject to initial registration requirements.  
19 Any new project or association shall register within  
20 thirty days of the association's first meeting. If  
21 the association has not held its first meeting and it



1 is at least one year after the recordation of the  
2 purchase of the first unit in the project, the  
3 developer or developer's affiliate or the managing  
4 agent shall register on behalf of the association and  
5 shall comply with this section, except for the  
6 fidelity bond requirement for associations required by  
7 section [†]514B-143(a)(3)[†]. The public information  
8 required to be submitted on any completed application  
9 form shall include but not be limited to [evidence]:

10 (A) Evidence of and information on fidelity bond  
11 coverage [~~names~~];

12 (B) Names and positions of the officers of the  
13 association [~~the~~] with contact information;

14 (C) The name and contact information of the  
15 association's managing agent, if any [~~the~~];

16 (D) The name and contact information for an emergency  
17 contact for the association that is different  
18 from the managing agent;

19 (E) The street and the postal address of the  
20 condominium [~~and the name and current mailing~~  
21 ~~address of a designated officer of the~~



1                   ~~association where the officer can be contacted~~  
2                   ~~directly~~];

3           (F)   An accurate copy of:

4                   (i)   The articles of incorporation, if any,  
5                               declaration, bylaws, and amendments thereto;

6                   (ii)   The regulations, resolutions, and house  
7                               rules, if any;

8                   (iii)   Master lease, if any;

9                   (iv)   A sample original conveyance document;

10                   (v)   All public reports and any amendments  
11                               thereto;

12                   (vi)   All contracts, leases, or other agreements  
13                               entered into by the board to which the  
14                               association is a party or under which the  
15                               association or unit owners have obligations  
16                               or liabilities;

17                   (vii)   Minutes of all meetings of the association,  
18                               pursuant to section 514B-122, and its board,  
19                               pursuant to section 514B-126 for the  
20                               immediately preceding twelve months;



- 1           (viii) All policies of insurance of the
- 2                           association, including current policies and
- 3                           policies of the association for the
- 4                           immediately preceding ten years;
- 5           (ix) Any reserve study;
- 6           (x) A list of the association's planned capital
- 7                           expenditures, if any, from the date of
- 8                           registration through June 30 of the
- 9                           following year;
- 10          (xi) The association's most recent audited
- 11                           financial statement;
- 12          (xii) The association's most recently adopted
- 13                           budget with any monthly or recurring
- 14                           association fees and any applicable current
- 15                           or approved special assessments specifically
- 16                           outlined; and
- 17          (xiii) All reports issued within the preceding ten
- 18                           years on the structural status of each
- 19                           property owned, operated, or governed by the
- 20                           association; and



- 1           (G) A description of the location where all building  
2           permits for work in common elements, which shall  
3           be posted during construction;
- 4           (3) Pay a nonrefundable application fee and, upon  
5           approval, an initial registration fee, a  
6           reregistration fee upon reregistration and the  
7           condominium education trust fund fee, as provided in  
8           rules adopted by the director of commerce and consumer  
9           affairs pursuant to chapter 91;
- 10          (4) Register or reregister and pay the required fees by  
11          the due date. Failure to register or reregister or  
12          pay the required fees by the due date shall result in  
13          the assessment of a penalty equal to the amount of the  
14          registration or reregistration fee; and
- 15          (5) Report promptly in writing to the commission any  
16          changes to the information contained on the  
17          registration or reregistration application or any  
18          other documents required by the commission. Failure  
19          to do so may result in termination of registration and  
20          subject the project or the association to initial  
21          registration requirements."





1 SECTION 4. Section 514B-153, Hawaii Revised Statutes, is  
2 amended as follows:

3 1. By amending subsection (a) to read:

4 "(a) An accurate copy of [~~the declaration, bylaws, house~~  
5 ~~rules, if any, master lease, if any, a sample original~~  
6 ~~conveyance document, all public reports and any amendments~~  
7 ~~thereto,~~] all documents listed in section 514B-103(a)(2)(F)  
8 shall be kept at the managing agent's office[-], a convenient  
9 location at the project, or a location designated by the board;  
10 provided that the minutes shall be for all the meetings of the  
11 association and its board and not limited to the meetings in the  
12 immediately preceding twelve months."

13 2. By amending subsection (e) to read:

14 "(e) The managing agent, resident manager, or board shall  
15 keep an accurate and current list of members of the association  
16 and their current addresses, and the names and addresses of the  
17 vendees under an agreement of sale, if any. The list shall be  
18 maintained at a place designated by the board, and a copy shall  
19 be available, at cost, to any member of the association as  
20 provided in the declaration or bylaws or rules and regulations  
21 or, in any case, to any member who furnishes to the managing



1 agent or resident manager or the board a [~~duly executed and~~  
2 ~~acknowledged affidavit~~] written certification stating that the  
3 list:

- 4 (1) Will be used by the owner personally and only for the  
5 purpose of soliciting votes or proxies or providing  
6 information to other owners with respect to  
7 association matters; and  
8 (2) Shall not be used by the owner or furnished to anyone  
9 else for any other purpose.

10 A board may prohibit commercial solicitations.

11 Where the condominium project or any units within the  
12 project are subject to a time share plan under chapter 514E, the  
13 association shall only be required to maintain in its records  
14 the name and address of the time share association as the  
15 representative agent for the individual time share owners unless  
16 the association receives a request by a time share owner to  
17 maintain in its records the name and address of the time share  
18 owner."

19 SECTION 5. Section 514B-154, Hawaii Revised Statutes, is  
20 amended follows:

21 1. By amending subsections (a) through (f) to read:



1           "(a) ~~[The association's most current financial statement~~  
2 ~~shall be provided to any interested unit owner at no cost or on~~  
3 ~~twenty-four hour loan, at a convenient location designated by~~  
4 ~~the board. The meeting minutes of the board of directors, once~~  
5 ~~approved, for the current and prior year shall either:]~~ Any  
6 unit owner of an association shall have the right to inspect,  
7 examine, and make copies of the records required to be  
8 maintained in section 514B-153, in person or by authorized  
9 agent, at any reasonable time, at the association's principal  
10 office or with the board or managing agent. To exercise this  
11 right, a unit owner shall submit a written request to the board  
12 or managing agent, stating the records sought to be inspected,  
13 examined, or copied. Failure of a board or managing agent to  
14 make available all records requested within ten business days of  
15 receipt of the unit owner's written request shall be deemed a  
16 denial. Any unit owner who prevails in an enforcement action to  
17 compel inspection, examination, or copying the records required  
18 to be maintained in section 514B-153 shall be entitled to  
19 recover reasonable attorneys' fees and costs from the  
20 association. These documents shall either:



1 (1) Be available for examination by apartment owners at no  
2 cost or on twenty-four-hour loan at a convenient  
3 location at the project, to be determined by the board  
4 of directors; or

5 (2) Be transmitted to any apartment owner making a request  
6 [~~for the minutes~~], by the board of directors, the  
7 managing agent, or the association's representative [~~7~~  
8 ~~within fifteen days of receipt of the request~~];  
9 provided that the [~~minutes~~] documents shall be  
10 transmitted by mail, electronic mail transmission, or  
11 facsimile, by the means indicated by the owner, if the  
12 owner indicated a preference at the time of the  
13 request; and provided further that the owner shall pay  
14 a reasonable fee for administrative costs associated  
15 with handling the request.

16 Costs incurred by apartment owners pursuant to this subsection  
17 shall be subject to section 514B-105(d).

18 (b) Financial statements, general ledgers, the accounts  
19 receivable ledger, accounts payable ledgers, check ledgers,  
20 insurance policies, contracts, and invoices of the association  
21 for the duration those records are kept by the association and



1 delinquencies of ninety days or more shall be available for  
2 examination by unit owners at convenient hours at a place  
3 designated by the board; provided that:

4 (1) The board may require owners to furnish to the  
5 association a [~~duly executed and acknowledged~~  
6 ~~affidavit~~] written certification stating that the  
7 information is requested in good faith [~~for the~~  
8 ~~protection of the interests of the association, its~~  
9 ~~members, or both;~~] and will not be used by the unit  
10 owner for any commercial purpose or any purpose that  
11 does not relate to the association; and

12 (2) Owners shall pay for reasonable administrative costs  
13 in excess of eight hours per year.

14 Copies of these items shall be provided to any owner upon  
15 the owner's request; provided that the owner pays a reasonable  
16 fee for duplication, postage, stationery, and other  
17 administrative costs associated with handling the request.

18 (c) After any association meeting, and not earlier, unit  
19 owners shall be permitted to examine proxies, tally sheets,  
20 ballots, owners' check-in lists, and the certificate of  
21 election; provided that:



1 (1) Owners shall make a request to examine the documents  
2 within thirty days after the association meeting;

3 (2) The board may require owners to furnish to the  
4 association a [~~duly executed and acknowledged~~  
5 ~~affidavit~~] written certification stating that the  
6 information is requested in good faith for the  
7 protection of the interest of the association or its  
8 members or both; and

9 (3) Owners shall pay for administrative costs in excess of  
10 eight hours per year.

11 The documents may be destroyed ninety days after the  
12 association meeting; provided that in the event of a contested  
13 election, the documents shall be retained until the contested  
14 election is resolved. Copies of tally sheets, owners' check-in  
15 lists, and the certificates of election from the most recent  
16 association meeting shall be provided to any owner upon the  
17 owner's request; provided that the owner pays a reasonable fee  
18 for duplicating, postage, stationery, and other administrative  
19 costs associated with handling the request.

20 (d) The managing agent shall provide copies of association  
21 records maintained pursuant to this section and sections 514B-



1 103, 514B-152, and 514B-153 to owners, prospective purchasers  
2 and their prospective agents during normal business hours, upon  
3 payment to the managing agent of a reasonable charge to defray  
4 any administrative or duplicating costs. If the project is not  
5 managed by a managing agent, the foregoing requirements shall be  
6 undertaken by a person or entity, if any, employed by the  
7 association, to whom this function is delegated.

8 (e) [~~Prior to the organization of the association, any~~]  
9 Any unit owner shall be entitled to inspect as well as receive a  
10 copy of the management contract from the entity that manages the  
11 operation of the property.

12 (f) Owners may file a written request with the board to  
13 examine other documents. The board shall give written  
14 authorization or written refusal with an explanation of the  
15 refusal within [~~thirty~~] ten calendar days of receipt of the  
16 request."

17 2. By amending subsections (h) and (i) to read:

18 "(h) A managing agent retained by one or more associations  
19 may dispose of the records of any association which are more  
20 than [~~five~~] ten years old, except for tax records, which [~~shall~~]  
21 may be [~~kept for~~] disposed of after seven years, without



1 liability if the managing agent first provides the board of the  
2 association affected with written notice of the managing agent's  
3 intent to dispose of the records if not retrieved by the board  
4 within sixty days, which notice shall include an itemized list  
5 of the records proposed to be disposed.

6 (i) No person shall knowingly make any false certificate,  
7 entry, or memorandum upon any of the books or records of any  
8 managing agent or association. No person shall knowingly alter,  
9 destroy, mutilate, or conceal any books or records of a managing  
10 agent or association. Any violation of this subsection shall  
11 constitute forgery in the third degree under section 708-853."

12 SECTION 6. Section 514B-154.5, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 "**§514B-154.5 Association documents to be provided.** (a)  
15 Notwithstanding any other provision in the declaration, bylaws,  
16 or house rules, if any, the following documents, records, and  
17 information, whether maintained, kept, or required to be  
18 provided pursuant to this section or section 514B-103, 514B-152,  
19 514B-153, or 514B-154, shall be made available to any unit owner  
20 and the owner's authorized agents by the managing agent,





1 resident manager, board through a board member, or the  
2 association's representative:

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

6 (2) ~~[An accurate copy of the declaration, bylaws, house~~  
7 ~~rules, if any, master lease, if any, a sample original~~  
8 ~~conveyance document, and all public reports and any~~  
9 ~~amendments thereto,]~~ All records required to be  
10 maintained pursuant to section 514B-153(a);

11 (3) Detailed, accurate records in chronological order of  
12 the receipts and expenditures affecting the common  
13 elements, specifying and itemizing the maintenance and  
14 repair expenses of the common elements and any other  
15 expenses incurred and monthly statements indicating  
16 the total current delinquent dollar amount of any  
17 unpaid assessments for common expenses;

18 (4) All records and the vouchers authorizing the payments  
19 and statements kept and maintained at the address of  
20 the project, or elsewhere within the State as  
21 determined by the board, subject to section 514B-152;



1 (5) All signed and executed agreements for managing the  
2 operation of the property, expressing the agreement of  
3 all parties, including but not limited to financial  
4 and accounting obligations, services provided, and any  
5 compensation arrangements, including any subsequent  
6 amendments;

7 (6) An accurate and current list of members of the  
8 condominium association and the members' current  
9 addresses and the names and addresses of the vendees  
10 under an agreement of sale, if any. A copy of the  
11 list shall be available, at cost, to any unit owner or  
12 owner's authorized agent who furnishes to the managing  
13 agent, resident manager, or the board a [~~duly executed~~  
14 ~~and acknowledged affidavit~~] written certification  
15 stating that the list:

16 (A) Shall be used by the unit owner or owner's  
17 authorized agent personally and only for the  
18 purpose of soliciting votes or proxies or for  
19 providing information to other unit owners with  
20 respect to association matters; and



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

4 (7) The association's most current financial statement, at  
5 no cost or on twenty-four-hour loan, at a convenient  
6 location designated by the board;

7 ~~[(8) Meeting minutes of the association, pursuant to  
8 section 514B-122;~~

9 ~~(9) Meeting minutes of the board, pursuant to section  
10 514B-126, which shall be:~~

11 ~~(A) Available for examination by unit owners or  
12 owners' authorized agents at no cost or on  
13 twenty-four hour loan at a convenient location at  
14 the project, to be determined by the board; or~~

15 ~~(B) Transmitted to any unit owner or owner's  
16 authorized agent making a request for the minutes  
17 within fifteen days of receipt of the request by  
18 the owner or owner's authorized agent; provided  
19 that:~~

20 ~~(i) The minutes shall be transmitted by mail,  
21 electronic mail transmission, or facsimile,~~



1 ~~by the means indicated by the owner or~~  
 2 ~~owner's authorized agent, if the owner or~~  
 3 ~~owner's authorized agent indicated a~~  
 4 ~~preference at the time of the request, and~~  
 5 ~~(ii) The owner or owner's authorized agent shall~~  
 6 ~~pay a reasonable fee for administrative~~  
 7 ~~costs associated with handling the request,~~  
 8 ~~subject to section 514B-105(d);~~

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

18 (A) The board may require unit owners or owners'  
 19 authorized agents to furnish to the association a  
 20 ~~[duly executed and acknowledged affidavit]~~  
 21 written certification stating that the



1 information is requested in good faith for the  
2 protection of the interests of the association,  
3 its members, or both; and

4 (B) Unit owners or owners' authorized agents shall  
5 pay for administrative costs in excess of eight  
6 hours per year;

7 [~~11~~] (9) Proxies, tally sheets, ballots, unit owners'  
8 check-in lists, and the certificate of election  
9 subject to section 514B-154(c);

10 [~~12~~] (10) Copies of an association's documents, records,  
11 and information, whether maintained, kept, or required  
12 to be provided pursuant to this section or section  
13 514B-152, 514B-153, or 514B-154;

14 [~~13~~] (11) A copy of the management contract from the  
15 entity that manages the operation of the property  
16 before the organization of an association;

17 [~~14~~] (12) Other documents requested by a unit owner or  
18 owner's authorized agent in writing; provided that the  
19 board shall give written authorization or written  
20 refusal with an explanation of the refusal within



1            [~~thirty~~] ten calendar days of receipt of a request for  
2            documents pursuant to this paragraph; and  
3            [~~(15)~~] (13) A copy of any contract, written job description,  
4            and compensation between the association and any  
5            person or entity retained by the association to manage  
6            the operation of the property on-site, including but  
7            not limited to the general manager, operations  
8            manager, resident manager, or site manager; provided  
9            that personal information may be redacted from the  
10           contract copy, including but not limited to the  
11           manager's date of birth, age, signature, social  
12           security number, residence address, telephone number,  
13           non-business electronic mail address, driver's license  
14           number, Hawaii identification card number, bank  
15           account number, credit or debit card number, access  
16           code or password that would permit access to the  
17           manager's financial accounts, or any other information  
18           that may be withheld under state or federal law.

19           (b) Subject to section 514B-105(d), copies of the items in  
20           subsection (a) shall be provided to any unit owner or owner's  
21           authorized agent upon the owner's or owner's authorized agent's



1 request; provided that the owner or owner's authorized agent  
2 pays a reasonable fee for duplication, postage, stationery, and  
3 other administrative costs associated with handling the request.

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

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

20 (e) An association may comply with this section or section  
21 514B-152, 514B-153, or 514B-154 by making the required



1 documents, records, and information available to unit owners or  
2 owners' authorized agents for download through an internet site,  
3 at the option of each unit owner or owner's authorized agent and  
4 at no cost to the unit owner or owner's authorized agent.

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

14 (g) This section shall apply to all condominiums organized  
15 under this chapter or any predecessor thereto.

16 (h) If the board fails to provide records properly  
17 requested under this section, the owner may seek appropriate  
18 relief and shall be entitled to an award of reasonable  
19 attorneys' fees and costs if the unit owner prevails.





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 7. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6            SECTION 8. This Act shall take effect on July 1, 2050.

7



**Report Title:**

Condominium Associations; Registration; Documents; Records

**Description:**

Requires condominium associations to register on an annual basis, rather than on a biennial basis. Adds an additional annual condominium education trust fund fee to be used to support the annual registration with attached documents of the association. Amends the documents required for condominium association registration. Broadens the list of documents an association shall maintain. Amends the requirements and procedures for a condominium association to provide association documents to unit owners. Effective 7/1/2050. (SD1)

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

