

JAN 17 2024

A BILL FOR AN ACT

RELATING TO DEANNEXATION OF REAL PROPERTY.

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

1 SECTION 1. Chapter 421I, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§421I- Deannexation. (a) A tenant shareholder may
5 deannex the dwelling unit that the tenant shareholder occupies
6 from the cooperative housing corporation under the terms
7 specified in the bylaws.

8 (b) If the bylaws do not contain terms of deannexation or
9 if the tenant shareholder declares that the terms of
10 deannexation in the bylaws are unjust, the tenant shareholder
11 and the cooperative housing corporation shall negotiate for
12 deannexation under separate terms.

13 (c) If the tenant shareholder and the cooperative housing
14 corporation are unable to agree upon terms for deannexation, the
15 terms shall be that the tenant shareholder shall not be a
16 shareholder of the cooperative housing corporation and shall not



1 be required to pay any fees to the cooperative housing
2 corporation."

3 SECTION 2. Chapter 421J, Hawaii Revised Statutes, is
4 amended by adding a new section to be appropriately designated
5 and to read as follows:

6 "§421J- Deannexation. (a) The unit owner of any unit
7 may deannex that unit from the planned community under the terms
8 specified in the bylaws.

9 (b) If the bylaws do not contain terms of deannexation or
10 if the unit owner declares that the terms of deannexation in the
11 bylaws are unjust, the unit owner and the association shall
12 negotiate for deannexation under separate terms.

13 (c) If the unit owner and the association are unable to
14 agree upon terms for deannexation, the terms shall be that the
15 unit shall not be part of the planned community and the unit
16 owner shall not be required to pay any fees to the association."

17 SECTION 3. Chapter 514B, Hawaii Revised Statutes, is
18 amended by adding a new section to part III to be appropriately
19 designated and to read as follows:



1 "§514B- Deannexation. (a) The unit owner of any unit
 2 may deannex that unit from the condominium pursuant to the terms
 3 specified in the bylaws under section 514B-108(b) (9).

4 (b) If the bylaws do not contain terms of deannexation or
 5 if the unit owner declares that the terms of deannexation in the
 6 bylaws are unjust, the unit owner and the association shall
 7 negotiate for deannexation under separate terms.

8 (c) If the unit owner and the association are unable to
 9 agree upon terms for deannexation, the terms shall be that the
 10 unit shall not be a part of the condominium and the unit owner
 11 shall not be required to pay any fees to the association."

12 SECTION 4. Section 514B-108, Hawaii Revised Statutes, is
 13 amended by amending subsection (b) to read as follows:

14 (b) The bylaws shall provide for at least the following:

15 (1) The number of members of the board and the titles of
 16 the officers of the association;

17 (2) Election by the board of a president, treasurer,
 18 secretary, and any other officers of the association
 19 the bylaws specify;



- 1 (3) The qualifications, powers and duties, terms of
2 office, and manner of electing and removing directors
3 and officers and the filling of vacancies;
- 4 (4) Designation of the powers the board or officers may
5 delegate to other persons or to a managing agent;
- 6 (5) Designation of the officers who may prepare, execute,
7 certify, and record amendments to the declaration on
8 behalf of the association;
- 9 (6) The compensation, if any, of the directors;
- 10 (7) Subject to subsection (e), a method for amending the
11 bylaws; [~~and~~]
- 12 (8) The percentage, consistent with this chapter, that is
13 required to adopt decisions binding on all unit
14 owners; provided that votes allocated to lobby areas,
15 swimming pools, recreation areas, saunas, storage
16 areas, hallways, trash chutes, laundry chutes, and
17 other similar common areas not located inside units
18 shall not be cast at any association meeting,
19 regardless of their designation in the declaration[~~-~~];
20 and



1 (9) The terms of deannexation of any unit, including a
2 calculation:

3 (A) For future maintenance fees arising from common
4 elements that cannot be separated from the unit,
5 including fees directly arising from elevators,
6 roads, and the roof above the unit; and

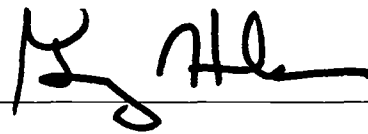
7 (B) That excludes future maintenance fees arising
8 from common elements that can be separated from
9 the unit, including fees directly arising from a
10 condominium swimming pool or recreational area."

11 SECTION 5. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 6. This Act shall take effect upon its approval.

14

INTRODUCED BY:





S.B. NO. 2128

Report Title:

Condominiums; Planned Community Associations; Cooperative Housing Corporations; Deannexation; Unit Owner; Association

Description:

Requires condominium homeowner associations to include in their bylaws an option for a unit owner to opt-out of a condominium. Establishes a procedure for a unit owner of a condominium, planned community association, or cooperative housing corporation to opt-out of their respective private community.

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

