
A BILL FOR AN ACT

RELATING TO CONDOMINIUM ASSOCIATIONS.

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

1 SECTION 1. The legislature finds that because the costs
2 incurred by a condominium association are shared by all its unit
3 owners, excessive legal fees undertaken by an association to
4 resolve nominal matters can have a negative impact on all unit
5 owners in an association. As such, legal fees paid by the unit
6 owners of a condominium association should be limited in
7 proportion to the costs of the matter being resolved.

8 Accordingly, the purpose of this Act is to prohibit
9 condominium associations from assessing against, or demanding or
10 seeking reimbursement from a unit owner the association's total
11 and final legal fees in excess of twenty-five per cent of the
12 original debt amount sought by the association.

13 SECTION 2. Chapter 514B, Hawaii Revised Statutes, is
14 amended by adding a new section to be appropriately designated
15 and to read as follows:

16 "§514B- Attorneys' fees; reimbursements; limitation;
17 original debt amount. The association shall not assess, demand,



1 or seek reimbursement from a unit owner for the association's
2 total and final legal fees in excess of twenty-five per cent of
3 the original debt amount sought by the association."

4 SECTION 3. New statutory material is underscored.

5 SECTION 4. This Act shall take effect on July 1, 2040.



Report Title:

Condominium Associations; Attorneys' Fees; Limit

Description:

Prohibits condominium associations from assessing, demanding, or seeking reimbursement from a unit owner for the association's total and final legal fees in excess of 25% of the original debt amount sought by the association. Takes effect 7/1/2040. (SD1)

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