

ACT 49

H.B. NO. 2846

A Bill for an Act Relating to Condominium Property Regimes.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that condominium governing documents, and condominium apartment leases or ground leases, contain inconsistencies and ambiguities concerning responsibility for lease rent renegotiation that have become the source of disputes and litigation between associations and their members, and between association members. The legislature further finds that the condominium association is best equipped to conduct these lease rent renegotiations, but that costs should be borne only by those association members whose apartments are in leasehold at that time.

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

“§514A- Lease rent renegotiation. (a) Notwithstanding any provision in the declaration or bylaws of any property subject to this chapter, any lease or sublease of the property or of an apartment, or an undivided interest in the land to an apartment owner, whenever any lease or sublease of the property, an apartment, or an undivided interest in the land to an apartment owner provides for the periodic renegotiation of lease rent thereunder, the association of apartment owners shall represent the apartment owners in all negotiations and proceedings, including but not limited to appraisal or arbitration, for the determination of lease rent as a common expense of the association.

(b) If some, but not all of the apartment owners have purchased the leased fee interest appurtenant to their apartments, all costs and expenses of the renegotiation shall be assessed to the remaining lessees in the same proportion that the common interest appurtenant to each lessee’s apartment bears to the common interest appurtenant to all lessees’ apartments. The unpaid amount of this assessment shall constitute a lien upon the lessee’s apartment, which may be collected in accordance with sections 514A-90 and 514A-94 in the same manner as an unpaid common expense.”

SECTION 3. New statutory material is underscored.¹

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

(Approved April 26, 2000.)

Note

1. Edited pursuant to HRS §23G-16.5.