

ACT 56

S.B. NO. 2421

A Bill for an Act Relating to Condominium Associations.

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

SECTION 1. The legislature finds that Act 195, Session Laws of Hawaii 2018 (“Act 195”) created important and effective rules relating to association foreclosures on condominiums. The stated goals of Act 195 were to:

- (1) Clarify that an association does not have to rescind the notice of default and intention to foreclose or restart the foreclosure by filing a new notice of default and intent to foreclose if a unit owner defaults on a payment plan to cure a nonjudicial foreclosure agreed to by the parties;
- (2) Specify that if a unit owner and an association have agreed on a payment plan to prevent a nonjudicial foreclosure from proceeding, any association fines imposed while the payment plan is in effect shall not be deemed a default under the payment plan;
- (3) Clarify the obligations of a unit owner and an association while a unit owner is not otherwise in default under a payment plan;
- (4) Clarify that the pay first, dispute later provisions in Hawaii’s condominium law apply only to common expense assessments claimed by an association;
- (5) Specify that a unit owner who disputes the amount of an assessment may request a written statement about the assessment from the association, including that a unit owner may demand mediation

prior to paying contested charges, other than common expense assessments; and

- (6) Specify requirements for mediation on contested charges, except for common expense assessments.

The legislature further finds that the amendments to the Hawaii Revised Statutes made by Act 195 successfully effectuated its purpose and should remain permanent.

The purpose of this Act is to repeal the sunset date of Act 195, Session Laws of Hawaii 2018, so the statutory amendments remain permanent.

SECTION 2. Act 195, Session Laws of Hawaii 2018, is amended by amending section 6 to read as follows:

~~“SECTION 6. This Act shall take effect on July 1, 2018, and shall be repealed on June 30, 2020; provided that sections 514B-105, 514B-146, and 667-94, Hawaii Revised Statutes, shall be reenacted in the form in which they read on the day before the effective date of this Act.”~~

SECTION 3. Statutory material to be repealed is bracketed and stricken.

SECTION 4. This Act, upon its approval, shall take effect retroactive to June 29, 2020.

(Approved September 15, 2020.)