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## A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

1 SECTION 1. Section 514B-144, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3 "(b) Except for assessments under subsections (c), (d),  
4 and (e), all common expenses shall be assessed against all the  
5 units in accordance with the allocations under section 514B-41.  
6 Any past due common expense assessment or installment thereof  
7 shall bear interest at the rate established by the association,  
8 provided that the rate shall not exceed eighteen per cent per  
9 year. Any late fee for a past due common expense assessment  
10 shall not exceed twenty per cent of the monthly maintenance fee  
11 in effect at the time the delinquency occurs."

12 SECTION 2. Section 514B-157, Hawaii Revised Statutes, is  
13 amended by amending subsection (a) to read as follows:

14 "(a) All costs and expenses, including reasonable  
15 attorneys' fees, incurred by or on behalf of the association  
16 for:

17 (1) Collecting any delinquent assessments against any  
18 owner's unit;



1 (2) Foreclosing any lien thereon; or

2 (3) Enforcing any provision of the declaration, bylaws,

3 house rules, and this chapter, or the rules of the

4 real estate commission;

5 against an owner, occupant, tenant, employee of an owner, or any

6 other person who may in any manner use the property, shall be

7 promptly paid on demand to the association by such person or

8 persons; provided that the association shall give the delinquent

9 unit owner written notice of any delinquency no fewer than ten

10 business days before taking any action for which attorneys fees

11 may be assessed; provided further that if the claims upon which

12 the association takes any action are not substantiated, all

13 costs and expenses, including reasonable attorneys' fees,

14 incurred by any such person or persons as a result of the action

15 of the association, shall be promptly paid on demand to such

16 person or persons by the association."

17 SECTION 3. New statutory material is underscored.

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

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JAN 19 2007

HB HMS 2007-1067



**Report Title:**

Delinquent Condominium Assessments; Late & Attorney's Fees Cap

**Description:**

Limits any late fee for delinquent common expenses to twenty per cent of the monthly maintenance fee. Requires an association to give a unit owner 10 business days notice of any delinquent assessments before taking any action for which attorney's fees may be assessed.

