

JAN 23 2009

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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. The purpose of this Act is to clarify  
2 condominium laws related to proxy votes and information  
3 available to owners.

4           SECTION 2. Section 514B-123, Hawaii Revised Statutes, is  
5 amended by amending subsection (d) to read as follows:

6           "(d) A proxy, to be valid, shall:

7           (1) Be delivered to the secretary of the association or  
8 the managing agent, if any, no later than 4:30 p.m. on  
9 the second business day prior to the date of the  
10 meeting to which it pertains;

11           (2) Contain at least the name of the association, the date  
12 of the meeting of the association, the printed names  
13 and signatures of the persons giving the proxy, the  
14 unit numbers for which the proxy is given, the names  
15 of persons to whom the proxy is given, and the date  
16 that the proxy is given; and



- 1           (3) If it is a standard proxy form authorized by the  
2           association, contain boxes wherein the owner has  
3           indicated that the proxy is given:  
4           (A) For quorum purposes only; or  
5           (B) To the individual whose name is printed on a line  
6           next to this box[~~7~~  
7           ~~(C) To the board as a whole and that the vote is to~~  
8           ~~be made on the basis of the preference of the~~  
9           ~~majority of the directors present at the meeting,~~  
10          ~~or~~  
11          ~~(D) To those directors present at the meeting with~~  
12          ~~the vote to be shared with each director~~  
13          ~~receiving an equal percentage].~~

14           The proxy form shall also contain a box wherein the  
15           owner may indicate that the owner wishes to obtain a  
16           copy of the annual audit report required by section  
17           514B-150."

18           SECTION 3. Section 514B-126, Hawaii Revised Statutes, is  
19           amended to read as follows:

20           "~~[+]§514B-126[+]~~ **Board meetings; minutes.** (a) Minutes of  
21           meetings of the board shall include the recorded vote of each



1 board member on all motions except motions voted on in executive  
2 session.

3 (b) Minutes of meetings of the board shall be approved no  
4 later than the second succeeding regular meeting.

5 (c) Minutes of all meetings of the board shall be  
6 available within seven calendar days after approval, and  
7 unapproved final drafts of the minutes of a meeting shall be  
8 available within [~~sixty~~] seven days after the meeting[~~, provided~~  
9 ~~that the minutes of any executive session may be withheld if~~  
10 ~~their publication would defeat the lawful purpose of the~~  
11 ~~executive session~~].

12 (d) Minutes of each monthly meeting shall include all  
13 monthly financial statements and any owner delinquent more than  
14 ninety days and shall be accessible to an owner on the  
15 association's website."

16 SECTION 4. Section 514B-150, Hawaii Revised Statutes, is  
17 amended by amending subsection (b) to read as follows:

18 "(b) The board shall make available a copy of the annual  
19 audit to each unit owner at least thirty days prior to the  
20 annual meeting which follows the end of the fiscal year. The  
21 board shall not be required to submit a copy of the annual audit  
22 report to an owner if the proxy form issued pursuant to section



1 514B-123(d) is not marked to indicate that the owner wishes to  
2 obtain a copy of the report. If the annual audit has not been  
3 completed by that date, the board shall make available:

- 4 (1) An unaudited year end financial statement for the  
5 fiscal year to each unit owner at least thirty days  
6 prior to the annual meeting; and  
7 (2) The annual audit to all owners at the annual meeting,  
8 or as soon as the audit is completed, but not later  
9 than six months after the annual meeting[-], and shall  
10 address in detail receipts, disbursements, expenditure  
11 of reserves, contracts executed within the year, and  
12 any pending litigation."

13 SECTION 5. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

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

16

INTRODUCED BY: Norman Saker



**Report Title:**

Condominium; Proxy Vote; Information Availability

**Description:**

Clarifies condominium laws related to proxy votes and information available to owners.

