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## A BILL FOR AN ACT

RELATING TO CONDOMINIUM MANAGEMENT.

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

1           SECTION 1. The legislature finds that the board of  
2 directors of each association of apartment owners has broad  
3 powers that impact its members, such as adopting and amending  
4 budgets for revenues, expenditures, and reserves; hiring and  
5 discharging management agents and other independent contractors,  
6 agents, and employees; instituting, defending, or intervening in  
7 litigation or administrative proceedings affecting the  
8 condominium; regulating the use, maintenance, repair,  
9 replacement, and modification of common elements; imposing and  
10 receiving payments, fees, or charges for the use, rental, or  
11 operation of the common elements; imposing charges and  
12 penalties, including late fees and interest, for late payment of  
13 assessments; and levying fines for violations of the  
14 association's declaration, bylaws, and rules and regulations.

15           The legislature further finds that in a democracy, the  
16 people are vested with the ultimate decision-making power.  
17 Boards of directors of associations of apartment owners exist to



1 represent homeowners in managing a condominium. Opening the  
2 condominium board's process to scrutiny and participation by  
3 association members is the only viable and reasonable method of  
4 protecting the members' interests.

5       The legislature also finds that it is critical for  
6 homeowners to have a voice in decisions that impact their lives,  
7 that the board must be held accountable through a general policy  
8 of providing access to records and reports that are considered  
9 by boards in their deliberations, and that the board must be  
10 accountable to homeowners in the collection, use, and  
11 dissemination of information.

12       The purpose of this Act is to require the formation,  
13 discussions, deliberations, decisions, and actions of boards of  
14 directors of associations of apartment owners to be conducted as  
15 openly as possible to facilitate homeowner participation and  
16 input. This Act gives members of associations of apartment  
17 owners the right to know and participate in all meetings of the  
18 board of directors of their association of apartment owners  
19 except for executive session meetings.



1 SECTION 2. Section 514B-125, Hawaii Revised Statutes, is  
2 amended by amending the title and subsection (a) to read as  
3 follows:

4 "[~~§~~514B-125~~]~~ Board meetings[-]; participation by  
5 association members. (a) All meetings of the board, other than  
6 executive sessions, shall be open to all members of the  
7 association, and association members who are not on the board  
8 may participate in any deliberation or discussion, other than  
9 executive sessions~~[, unless a majority of a quorum of the board~~  
10 ~~votes otherwise]~~. In order to provide association members with  
11 a reasonable opportunity for input, the board shall:

12 (1) Post an agenda for each board meeting at least seven  
13 days prior to the meeting;

14 (2) Provide all association members with an opportunity to  
15 view all documents, reports, or proposals related to  
16 the meeting and those concerning any projects or  
17 policies that impact the living conditions or  
18 lifestyle of association members, including but not  
19 limited to changes in maintenance fees, contracts  
20 exceeding \$75,000, renovations, and changes in the  
21 design of the condominium structure, parking



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1           structure, landscape, and recreational areas, at the  
2           time that the agenda is made available to association  
3           members;

4           (3) Provide association members with an opportunity to  
5           submit documents to the board which express data,  
6           written views, or written arguments, for any agenda  
7           item or other item that is related to subject matter  
8           that is within the jurisdiction of the board; and

9           (4) Provide each association member with a reasonable  
10           opportunity to present oral testimony on any agenda  
11           item at a board meeting after the board has discussed  
12           the agenda item, but before the board begins its  
13           decision making process."

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

16           " ~~[§514B-126]~~ **Board meetings; minutes.** (a) Minutes of  
17 meetings of the board shall include the recorded vote of each  
18 board member on all motions ~~[except motions voted on in~~  
19 ~~executive session]~~.

20           (b) Minutes of meetings of the board shall be approved no  
21 later than the second succeeding regular meeting ~~[and shall be~~



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1 made available to association members within seven calendar days  
2 of approval.

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

10 SECTION 4. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12 SECTION 5. This Act shall take effect on July 1, 2017.

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INTRODUCED BY:   
JAN 19 2017



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**Report Title:**

Condominium Governance; Real Property; Housing

**Description:**

Requires condominium boards to post board meeting agendas and make board meeting materials available to association members at least seven days prior to each meeting. Requires association members to be provided an opportunity to submit materials and present testimony about any item on the board meeting agenda. Requires board meeting minutes to include the recorded vote of each board member on all motions without exception. Requires boards to make approved minutes available to association members within seven calendar days. Reduces the number of days after the meeting by which the board must make available unapproved final drafts of the minutes of a meeting.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

