

JAN 20 2017

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.



S.B. NO. 370

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



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

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

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

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

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

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



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:

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S.B. NO. 370

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.

