

JAN 20 2017

A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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 the boards of directors
16 of associations of apartment owners represent the homeowners in
17 managing a condominium, but the homeowners are vested with the



1 ultimate decision-making power. Opening the condominium board's
2 process to scrutiny and participation by association members is
3 a viable and reasonable method to protect the members'
4 interests.

5 The purpose of this Act is to provide the members of
6 associations of apartment owners an opportunity to attend and
7 participate in all meetings of the board of directors of their
8 association of apartment owners, including executive sessions
9 with board approval.

10 SECTION 2. Section 514B-125, Hawaii Revised Statutes, is
11 amended by amending subsections (a) and (b) to read as follows:

12 "(a) All meetings of the board, other than executive
13 sessions, shall be open to all members of the association, and
14 association members who are not on the board [~~may~~] shall be
15 permitted to participate in any deliberation or discussion,
16 other than executive sessions [~~, unless a majority of a quorum of~~
17 ~~the board votes otherwise.] unless allowed pursuant to
18 subsection (b). During deliberations, the board may limit the
19 time provided to any member of the association in accordance
20 with rules adopted by the board.~~



1 (b) The board, with the approval of a majority of a quorum
2 of its members, may adjourn a meeting and reconvene in executive
3 session to discuss and vote upon matters:

4 (1) Concerning personnel;

5 (2) Concerning litigation in which the association is or
6 may become involved;

7 (3) Necessary to protect the attorney-client privilege of
8 the association; or

9 (4) Necessary to protect the interests of the association
10 while negotiating contracts, leases, and other
11 commercial transactions.

12 The general nature of any business to be considered in executive
13 session shall first be announced in open session. The board by
14 a majority vote may allow members of the association to attend
15 executive session to present personal information. Members of
16 the association shall not be permitted to attend any portion of
17 the executive session when the discussion pertains to any of the
18 matters enumerated under paragraphs (1) through (4)."

19 SECTION 3. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

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

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INTRODUCED BY: *Yvonne...*

Paul E. ...
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Home ...
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S.B. NO. 627

Report Title:

Condominiums; Condominium Association Members; Board Meetings;
Executive Sessions

Description:

Allows association members who are not on the board to participate in any deliberation or discussion, except for executive sessions. Allows the condominium board members pursuant to board rules to limit the time provided to any member of the condominium association to participate in deliberation. Allows members of a condominium association to attend executive sessions with approval by a majority vote of the condominium board members, subject to certain limitations.

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

