

JAN 20 2023

A BILL FOR AN ACT

RELATING TO CONDOMINIUM RESERVE REQUIREMENTS.

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

1 SECTION 1. Section 514B-148, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) The budget required under section 514B-144(a) shall
4 include at least the following:

5 (1) The estimated revenues and operating expenses of the
6 association;

7 (2) Information as to whether the budget has been prepared
8 on a cash or accrual basis;

9 (3) The total replacement reserves of the association as
10 of the date of the budget;

11 (4) The estimated replacement reserves the association
12 will require to maintain the property based on a
13 reserve study performed by the association; provided
14 that the reserve study shall ~~[be]~~:

15 (A) Include the estimated costs of fire safety
16 equipment or installations that meet the
17 requirements of a life safety evaluation required



1 by the applicable county for any building located
 2 in a county with a population greater than five
 3 hundred thousand;

4 (B) Be reviewed by an independent reserve study
 5 preparer; [~~provided further that the reserve~~
 6 ~~study shall be~~] and

7 (C) Be reviewed or updated at least every three
 8 years;

9 (5) A general explanation of how the estimated replacement
 10 reserves are computed;

11 (6) The amount the association must collect for the fiscal
 12 year to fund the estimated replacement reserves; and

13 (7) Information as to whether the amount the association
 14 must collect for the fiscal year to fund the estimated
 15 replacement reserves was calculated using a per cent
 16 funded or cash flow plan. The method or plan shall
 17 not circumvent the estimated replacement reserves
 18 amount determined by the reserve study pursuant to
 19 paragraph (4)."

20 SECTION 2. Statutory material to be repealed is bracketed
 21 and stricken. New statutory material is underscored.



S.B. NO. 855

1 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: *Chad Johnson*



S.B. NO. 855

Report Title:

Condominium; Fire Safety Equipment; Fire Safety Installation;
Replacement Reserves

Description:

Requires condominiums to include the estimated cost of fire safety equipment or installations as part of their estimated replacement reserves.

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