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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. Section 514B-148, Hawaii Revised Statutes, is  
2 amended as follows:

3 1. By amending subsection (b) to read:

4 " (b) The association shall deposit at least ten per cent  
5 of all revenues for each fiscal year, except for estimated  
6 replacement reserve assessments, into the total replacement  
7 reserves fund of the association. The association shall further  
8 assess the unit owners to either fund a minimum of fifty per  
9 cent of the estimated replacement reserves assessments or fund  
10 one hundred per cent of the estimated replacement reserves  
11 assessments when using a cash flow plan; provided that a new  
12 association need not collect estimated replacement reserves  
13 assessments until the fiscal year that begins after the  
14 association's first annual meeting. For each fiscal year, the  
15 association shall collect the amount assessed to fund the  
16 estimated replacement reserves assessments for that fiscal year,  
17 as determined by the association's plan."



1           2. By amending subsection (g) to read:

2           "(g) Any unit owner shall have standing to bring an action  
3       alleging a violation of this section against an association that  
4       the unit owner is a member of, and may seek an injunction to  
5       enforce compliance with this section by the association's  
6       board[–]; provided that if a board fails to deposit the minimum  
7       ten per cent into the total replacement reserves fund as  
8       required under subsection (b):

9           (1) The commission shall enforce the minimum deposit;  
10          (2) The unit owner may file a complaint with the  
11           commission in lieu of enforcing the minimum deposit  
12           through an action; and  
13          (3) Each board member who is found to have failed to  
14           deposit the minimum ten per cent into the total  
15           replacement reserves fund shall be held personally  
16           liable and subject to a fine of \$ .

17          In any proceeding to enforce compliance, a board that has  
18       not prepared an annual operating budget and reserve study shall  
19       have the burden of proving it has complied with this section."



1 SECTION 2. This Act does not affect rights and duties that  
2 matured, penalties that were incurred, and proceedings that were  
3 begun before its effective date.

4 SECTION 3. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

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

7

INTRODUCED BY:



JAN 26 2026



# H.B. NO. 2162

**Report Title:**

Condominiums; DCCA; Replacement Reserves; Condominium Associations; Boards of Directors; Enforcement; Penalty

**Description:**

Requires a condominium association to deposit at least ten per cent of all revenues for each fiscal year, except for estimated replacement reserve assessments, into the total replacement reserves fund of the association. Requires the Real Estate Commission to enforce the minimum deposit requirement and allows unit owners to file complaints with the Commission. Holds board members who fail to comply with the minimum deposit requirement personally liable and subject to a fine.

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

