
A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

SECTION 1. Section 514B-148, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (b) to read:

"(b) The association shall 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. The association shall further assess the unit owners to either fund a minimum of fifty per cent of the estimated replacement reserves assessments or fund one hundred per cent of the estimated replacement reserves assessments when using a cash flow plan; provided that a new association need not collect estimated replacement reserves assessments until the fiscal year that begins after the association's first annual meeting. For each fiscal year, the association shall collect the amount assessed to fund the estimated replacement reserves assessments for that fiscal year, 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 Statutory material to be repealed is bracketed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:

A handwritten signature in black ink, appearing to be 'J. S.', is written over a horizontal line.

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.

