

JAN 23 2026

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 changes made by
2 Act 192, Session Laws of Hawaii 2019 (Act 192), were designed to
3 clarify the allocation of payments made by or on behalf of a
4 condominium unit owner paid in excess of any common expenses
5 owed. Specifically, Act 192 clarified the allocation of
6 payments to unpaid balances beyond common expense assessments.

7 The legislature also finds that Act 192 did not clarify how
8 payments should be applied to unpaid judgment interest and
9 judgment principal in situations where a court has entered a
10 money judgment against a condominium unit owner and in a
11 condominium association's favor.

12 The legislature further finds that preserving condominium
13 associations' judgment collection remedies is important.

14 Accordingly, the purpose of this Act is to clarify that all
15 payments made by or on behalf of a unit owner to a condominium
16 association may be applied to unpaid judgment interest and
17 principal owed by the unit owner to the association.



SECTION 2. Section 514B-105, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) Any payments made by or on behalf of a unit owner shall first be applied to outstanding common expenses that are assessed to all unit owners in proportion to the common interest appurtenant to their respective units, including commercial property assessed financing assessment expenses incurred for improvements financed pursuant to section 196-64.5. Only after the outstanding common expenses have been paid in full may the payments be applied to other charges owed to the association, including assessed charges to the unit such as ground lease rent, utility sub-metering, storage lockers, parking stalls, boat slips, insurance deductibles, and cable. After these charges are paid, other charges, including unpaid late fees, legal fees, fines, and interest, may be assessed in accordance with an application of payment policy adopted by the board; provided that if a unit owner has designated that any payment is for a specific charge that is not a common expense as described in this subsection, the payment may be applied in accordance with the unit owner's designation even if common expenses remain outstanding. Notwithstanding any other provision of this



1 section, any payments made by or on behalf of a unit owner may
2 be applied to any unpaid judgment interest, judgment principal,
3 and all costs and reasonable attorneys' fees incurred in
4 attempting to obtain satisfaction of the money judgment."

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

8 SECTION 4. New statutory material is underscored.

9 SECTION 5. This Act shall take effect upon its approval.

10
INTRODUCED BY: 



S.B. NO. 2764

Report Title:

Condominiums; Associations; Common Expense Payments; Excess Amounts; Money Judgements

Description:

Clarifies that condominium associations may apply any payment from or on behalf of an owner to amounts due by the owner under a money judgment in favor of the condominium association.

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

