

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. 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 a summary with at least the following details:

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

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

9 (3) The estimated costs of fire safety equipment or
10 installations that meet the requirements of a building
11 fire and life safety evaluation required by the
12 applicable county for any building located in a county
13 with a population greater than five hundred thousand;
14 provided that the reserve study may forecast a loan or
15 special assessment to fund building fire and life
16 safety components or installation;



- 1 (4) The balance of the total replacement reserves fund of
2 the association as of the date of the budget;
- 3 (5) The estimated replacement reserves assessments that
4 the association will require to maintain the property
5 based on a reserve study performed by or on behalf of
6 the association; provided that the reserve study, if
7 not prepared by an independent reserve study preparer,
8 shall be reviewed by an independent reserve study
9 preparer no less than every three years; provided
10 further that an association of twenty or fewer units
11 may vote at the association's annual meeting to not
12 perform the reserve study; provided further that a
13 managing agent with industry reserve study
14 designations shall not be considered as having a
15 conflict of interest for purposes of this paragraph;
- 16 (6) A general explanation of how the estimated replacement
17 reserves assessments are computed and detailing:
- 18 (A) The identity, qualifications, and potential
19 conflicts of interest of the person or entity
20 performing the reserve study, update, or any
21 review thereof;



- 1 (B) Disclosure of any component of association
- 2 property omitted from the reserve study and the
- 3 basis for the omission;
- 4 (C) Planned increases in the estimated replacement
- 5 reserve assessments over the thirty-year plan;
- 6 and
- 7 (D) Whether the actual estimated replacement reserves
- 8 assessments for the prior year as defined in the
- 9 study were less than the assessments provided for
- 10 in the reserve study, and, if so, by how much,
- 11 and explaining the impact of the lesser
- 12 assessments on future estimated replacement
- 13 reserves assessments;
- 14 (7) The amount the association must collect for the fiscal
- 15 year to fund the estimated replacement reserves
- 16 assessments; and
- 17 (8) Information as to whether the amount the association
- 18 must collect for the fiscal year to fund the estimated
- 19 replacement reserves assessments was calculated using
- 20 a per cent funded or cash flow plan. The method or
- 21 plan shall not circumvent the estimated replacement



1 reserves assessments amount determined by the reserve
2 study pursuant to paragraph (5).

3 The budget summary shall contain all required information
4 without referring the reader to other portions of the budget."

5 SECTION 2. 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 3. New statutory material is underscored.

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

10

INTRODUCED BY: Carol Johnson



S.B. NO. 2840

Report Title:

Condominiums; Associations; Reserve Studies; Exemption

Description:

Enables condominium associations of twenty or fewer units to determine by vote at the association's annual meeting not to undertake a reserve study review.

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

