

ACT 158

S.B. NO. 2561-82

A Bill for an Act Relating to Horizontal Property Regimes.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 514A-84, Hawaii Revised Statutes, is amended to read as follows:

“~~[[~~514A-84~~]]~~ Management contracts; developer. (a) If the developer or any affiliate of the developer acts as the first managing agent for the association of apartment owners following its organization, the contract shall not have a term exceeding one year and shall contain a provision that the contract may be terminated by either party thereto on not more than sixty days' written notice. The identity of the managing agent as the developer or its affiliate shall be disclosed to the association of apartment owners no later than the first meeting of the association. An affiliate of, or person affiliated with, a developer is a person that directly or indirectly controls, is controlled by, or is under common control with, the developer.

(b) A managing agent employed or retained for ~~[a] one or more condominium [project] projects~~ shall provide evidence of a fidelity bond in ~~[the minimum] an amount [of \$25,000.] equal to \$250 multiplied by the aggregate number of units covered by all of the agent's condominium management contracts;~~ provided that the minimum amount of bond required by this subsection shall not be less than \$10,000 nor greater than \$50,000.

~~(c) If a project chooses not to have a managing agent, a fidelity bond in an~~

amount equal to \$250 multiplied by the number of units in the project shall be secured for all individuals handling the project's funds [in the minimum amount \$10,000.]; provided that the minimum amount of bond required by this subsection shall not be less than \$10,000 nor greater than \$50,000."

SECTION 2. Statutory material to be repealed is bracketed. New material is underscored.

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

(Approved June 1, 1982.)