

ACT 283

H.B. NO. 3380

A Bill for an Act Relating to Condominiums.

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

SECTION 1. Section 514A-13.5, Hawaii Revised Statutes, is amended to read as follows:

“§514A-13.5 Remuneration to allow ingress and egress prohibited. Ingress and egress through lobby area¹ or walkways, whether common elements, limited common elements, or individually owned, shall not be denied to apartment owners seeking access to the apartments. No payment of any fee or other type of remuneration by individual owners singly, or collectively as part of an owners’ association, shall be allowed. This section shall apply to condominium property regimes in existence on May 18, 1984, and those formed thereafter, except as to lobby areas or walkways which are limited [to] common elements, or individually owned.”

SECTION 2. Section 514A-82.3, Hawaii Revised Statutes, is amended to read as follows:

“§514A-82.3¹ Borrowing of Money.¹ Subject to any approval requirements and spending limits contained in the declaration or bylaws of¹ association of apartment owners, the board of directors may authorize the borrowing of money to be used by the association for the repair, replacement, maintenance, operation, or administration of the common elements of the project, or the making of any additions, alterations, and improvements thereto. The cost of such borrowing, including, without limitation, all principal, interest, commitment fees, and other expenses payable with respect to such borrowing, shall be a common expense of the project; provided that owners representing fifty per cent of the common interest and [owners] apartments give written consent to such borrowing, having been first notified of the purpose and use of the funds.”

SECTION 3. Section 514A-102, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Beginning fifteen calendar days prior to the date any developer notifies the commission of the developer’s intention to sell a project which is

subject to this chapter, the developer shall cause to be published in the classified section of at least one newspaper published daily in the State and having a general circulation in the county in which the project is to be located, not less than once in each of two successive weeks, an announcement containing a summary of at least the following information:

- (1) The location of the project;
- (2) A fair and reasonable estimate of:
 - (A) The total number of apartments to be included in the project;
 - (B) The number of apartments designated as residential units;
 - (C) The price range of the units;
 - (D) The approximate size of the units; and
 - (E) A designation whether the units are fee simple or leasehold;
- (3) A statement that the apartments shall be offered for sale upon the issuance of the first public report by the commission, and the approximate date of the issuance;
- (4) A statement of the intended use, such as, but not limited to, commercial, timesharing, or vacation rental, of any apartment in the project other than a residential unit designated for use by an owner-occupant;
- (5) A statement that fifty per cent of the residential units shall initially be offered for a ten-day period to only prospective owner-occupants, and a designation of such residential units;
- (6) A statement of the availability and number of residential units in the project that are "accessible" and "adaptable," as those terms are defined and interpreted in 24 C.F.R. §100 et seq., for persons with disabilities;
- [(6)] (7) The name and address of a real estate broker, which shall be designated by the developer, who any interested individual may contact to be placed on a reservation list, and to obtain further information on the project; and
- [(7)] (8) A statement that a public report has not been issued for the project, and that the commission has not yet determined whether the developer has adequately disclosed all material facts as required by law."

SECTION 4. Section 514A-133, Hawaii Revised Statutes, is amended to read as follows:

“[[[§514A-133]]] Management of fund. (a) The sums received by the commission for deposit in the condominium management education fund shall be held by the commission in trust for carrying out the purpose of the fund.

(b) The commission and the director of commerce and consumer affairs may use moneys in the condominium management education fund to employ necessary personnel not subject to chapters 76 and 77 for additional staff support, to provide office space, and to purchase equipment, furniture, and supplies required by the commission to carry out its responsibilities under this part.

(c) The moneys in the condominium management education fund may be invested and reinvested together with the real estate education fund established under section 467-19 in the same manner as are the funds of the employees' retirement system of the State. The interest from these investments shall be deposited to the credit of the condominium management education fund.

(d) The commission shall annually submit to the legislature, prior to the convening of each regular session:

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- (1) A summary of the programs funded during the prior fiscal year and the amount of money in the fund, and
- (2) A copy of the budget for the current fiscal year, including summary information on programs which were funded or are to be funded.”

SECTION 5. Statutory material to be repealed is bracketed. New statutory material is underscored.

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

(Approved June 25, 1990.)

Note

1. So in original.