

ACT 195

S.B. NO. 2097

A Bill for an Act Relating to Condominium Property Regimes.

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

SECTION 1. Section 514A-96, Hawaii Revised Statutes, is amended to read as follows:

“§514A-96 [Audits.] Board of directors, audits, audited financial statement, transmittal, (a) The association of apartment owners shall require [a yearly] an annual audit of the association financial accounts and no less than one [yearly] annual unannounced verification of the association’s cash balance by a public accountant; provided that if the association is comprised of less than twenty owners, the [yearly] annual audit and the [yearly] annual unannounced cash balance verification may be waived by a majority vote of all apartment owners taken at an association meeting.

(b) The board of directors of the association shall make available a copy of the annual audit to each apartment owner at least thirty days prior to the annual meeting which follows the end of the fiscal year. The board shall provide upon all official proxy forms a box wherein the owner may indicate that the owner wishes to obtain either a summary of the annual audit report, or an unabridged copy of the annual audit report. The board shall not be required to submit a summary of the annual audit report or a copy of the annual audit report to the owner if the proxy form is not marked. If the annual audit has not been completed by that date, the board shall make available:

- (1) An unaudited year end financial statement for the fiscal year to each apartment owner at least thirty days prior to the annual meeting; and
- (2) The annual audit to all owners at the annual meeting, or as soon as the audit is completed, whichever occurs later.

If the association’s fiscal year ends less than two months prior to the convening of the annual meeting, the year to date unaudited financial statement may cover the period from the beginning of the association’s fiscal year to the end of the month preceding the date on which notice of the annual meeting is mailed.”

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 Statutory material to be repealed is bracketed.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

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

(Approved May 23, 1991.)