

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-90, Hawaii Revised Statutes, is amended by amending subsections (g) and (h) to read as follows:

“(g) Subject to this subsection, and subsections (h) and (i), the board of an association of apartment owners may specially assess the amount of the unpaid regular monthly common assessments for common area expenses against a person who, in a judicial or nonjudicial power of sale foreclosure, purchases a delinquent apartment; provided that:

- (1) A purchaser who holds a mortgage on a delinquent apartment that was recorded prior to the filing of a notice of lien by the association of apartment owners and who acquires the delinquent apartment through a judicial or nonjudicial foreclosure proceeding, including purchasing the delinquent apartment at a foreclosure auction, shall not be obligated to make, nor be liable for, payment of the special assessment as provided for under this subsection; and
- (2) A person who subsequently purchases the delinquent apartment from the mortgagee referred to in paragraph (1) shall be obligated to make, and shall be liable for, payment of the special assessment provided for under this subsection; provided that the mortgagee or subsequent purchaser may require the association of apartment owners [has filed] to provide at no charge a notice of the association’s intent to claim a lien against the delinquent apartment for the [unpaid assessments for common area expenses which form the basis of] amount of the special assessment, prior to the subsequent purchaser’s acquisition of title to the delinquent apartment. The notice shall state the amount of the special assessment, how that amount was calculated, and the legal description of the apartment.

(h) The amount of the special assessment assessed under subsection (g) shall not exceed the total amount of unpaid regular monthly common assessments that were assessed during the six months immediately preceding the completion of the judicial or nonjudicial power of sale foreclosure[, and for which the association of apartment owners had filed a notice of lien against the delinquent apartment pursuant to subsection (g)(2)]. In no event shall the amount of the special assessment exceed the sum of \$1,800.”

SECTION 2. Act 39, Session Laws of Hawaii 2000, is amended by amending section 4 to read as follows:

“SECTION 4. This Act shall take effect upon its approval and shall be repealed on December 31, [~~2003~~] 2007; provided that section 514A-90, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day before the approval of this Act.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved May 21, 2003.)