

JAN 19 2018

A BILL FOR AN ACT

RELATING TO CONDOMINIUM GOVERNING INSTRUMENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that condominiums are
2 governed by declarations and bylaws that may be amended only by
3 affirmative vote of a set percentage of unit owners. For some
4 condominiums, obtaining a response from a sufficient number of
5 owners can be difficult and frustrates the voting process, so
6 that amendments become almost impossible to adopt.

7 The purpose of this Act is to maintain the current process
8 that allows for the voting period to occur over a year's time
9 and provide an alternative method of amendment, where sixty-
10 seven per cent of owners who are present at a pre-announced
11 meeting, or a majority of all unit owners, whichever is greater,
12 can approve the proposed amendment. This alternative method of
13 amendment provides additional protection by requiring advance
14 notice that the alternative method is being utilized, a
15 designated meeting for discussion and voting, and a specific
16 item on the proxy form that is mailed to all unit owners.



1 SECTION 2. Chapter 514B, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§514B- Declaration and bylaws; alternative method of
5 amendment. (a) Notwithstanding any other provision of this
6 chapter, the declaration and bylaws of a condominium may be
7 amended by the following alternative method:

8 (1) The proposed amendment may be originated by:

9 (A) A volunteer unit owners' group containing a
10 petition signed and dated by not less than
11 twenty-five per cent of the unit owners, as shown
12 in the association's record of ownership; or

13 (B) The board of directors;

14 (2) The petition, if any, and the proposed amendment shall
15 contain a supplemental statement that the alternative
16 method of amendment authorized by this section will be
17 used;

18 (3) The proposed amendment shall be accompanied by a
19 detailed rationale for the amendment;

20 (4) Advance notice shall be mailed by the board to the
21 unit owners at the association's expense, stating that



1 the alternative method of amendment is being utilized
2 and announcing the date, time, and location of an
3 association meeting, which shall be not less than
4 thirty days from the date of the mailing, for
5 consideration and voting on the proposed amendment;

6 (5) The advance notice in paragraph (4) shall be
7 accompanied by a detailed rationale for the proposed
8 amendment and a proxy form containing an option for a
9 specific vote on the proposed amendment; and

10 (6) The proposed amendment shall be valid if:

11 (A) At the announced association meeting, at least
12 sixty-seven per cent of the unit owners present
13 and voting, whether in person or by proxy,
14 approve the proposed amendment; or

15 (B) An affirmative vote of a majority of all unit
16 owners approves the proposed amendment;

17 whichever is greater.

18 (b) If any of the notice requirements specified by
19 subsection (a) are not met or the proposed amendment is amended,
20 then the vote required for adoption of the proposed amendment



1 shall increase to an affirmative vote of at least sixty-seven
2 per cent of all unit owners.

3 (c) If the proposed amendment is duly adopted, the board
4 shall cause the amendment to be recorded.

5 (d) The quorum requirements for an association meeting
6 shall not be amended pursuant to this section."

7 SECTION 3. New statutory material is underscored.

8 SECTION 4. This Act shall take effect on July 1, 2018.

9

INTRODUCED BY:





S.B. NO. 2483

Report Title:

Condominiums; Governing Instruments; Alternative Method of Amendment; Declaration; Bylaws

Description:

Authorizes an alternative method of amendment for a condominium association's declaration and bylaws; provided that certain requirements are met.

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

