

STAND. COM. REP. NO. **3289**

Honolulu, Hawaii

MAR 22 2024

RE: H.B. No. 1565
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 1565, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose and intent of this measure is to exclude a homeowner-developer from the annual requirement to file a developer's report and pay a fee if the homeowner's development consists of not more than two units, one in which the developer resides and one for which the initial sale of the other unit has been completed.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Hawaii First Realty LLC, Palehua Townhouse Association, and one individual.

Your Committee finds that the existing law governing condominiums characterizes a homeowner-developer who subdivides their property into two units under a condominium property regime for the purpose of living in one unit and renting out the other, as a developer of a condominium project. Further, a homeowner-developer in this situation is required to file an annual report and pay an annual fee until all units in the two-unit development have been sold, essentially subjecting them to a fee in perpetuity, as the homeowner-developer typically does not intend



to sell the unit they are living in. Your Committee finds that, in these specific situations, the existing annual filing and fee requirements unduly burden homeowner-developers, and therefore this measure provides these specific homeowner-developers with much needed relief.

Your Committee has amended this measure by inserting an effective date of July 1, 2040, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1565, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1565, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,

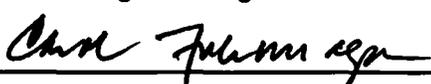


JARRETT KEOHOKALO, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* HB1565, HDI	Committee Referral: CPN, WAM	Date: 3/20/24		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton				✓
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes