

Honolulu, Hawaii

APR 05 , 2024

RE: S.B. No. 2727
S.D. 2
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2727, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to make condominiums eligible for commercial property assessed clean energy and resiliency financing, commonly known as C-PACER financing.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Office of Planning and Sustainable Development; Hawaii Insurers Council; Hawaii Solar Energy Association; Hawaii Laborers & Employers Cooperation and Education Trust Fund; Palehua Townhouse Association; Ulupono Initiative; Hawaii First Realty LLC; C-PACE Alliance, Inc.; CastleGreen Finance, LLC; Nuveen Green Capital; Association of Apartment Owners at Pat's at Punalu'u; Hawai'i Energy; Island Insurance Companies; Aina Nalu Homeowner Association; Laborers International Union of North America - Local 368; Plumbers and Fitters UA Local 675; Holomua Collaborative; aio; Hawai'i Gas; Hawai'i Community Foundation; HPM Building Supply; Hawaii Venture Capital Association; Mana Up; Tori Richard; Parkland Gardens Association of Apartment Owners Board of Directors; Board of Directors of Heritage House Condominium;



Hawai'i Association of REALTORS; Angel's Site Management Solutions; and nine individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Hawaii Green Infrastructure Authority; Hawaii State Energy Office; Department of Budget and Fiscal Services of the City and County of Honolulu; Petros PACE Finance, LLC; Hawaii Bankers Association; and Kokua Council.

Your Committee has amended this measure by:

- (1) Clarifying that a "property owner" or "owner" means an owner of commercial property and in the case of a condominium, the condominium association and not individual residential condominium unit owners and that individual residential condominium unit owners are ineligible for C-PACER financing;
- (2) Specifying a process for condominium associations to provide certain financing documents before entering into a commercial property assessed financing assessment contract;
- (3) Clarifying that commercial property assessed financing non-ad valorem special tax assessments are imposed on the project as an assessment against the condominium association; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2727, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2727, S.D. 2, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Finance,



KYLE T. YAMASHITA, Chair



