

STAND. COM. REP. NO.

1504

Honolulu, Hawaii

**MAR 21**, 2025

RE: S.B. No. 146  
S.D. 1  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Madame:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 146, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to amend the conditions and procedures for resolving various condominium-related disputes.

Your Committee received testimony in support of this measure from the Hawaii Legislative Action Committee of the Community Associations Institute; Hawaii First Realty; and one individual. Your Committee received testimony in opposition to this measure from AOA Lakeview Sands; Nakamoto Realty, LLC; and numerous individuals. Your Committee received comments on this measure from the Real Estate Commission and one individual.

Your Committee finds that owners, tenants, and other persons who use condominium property are subject to the declarations and bylaws adopted by the condominium association and that those persons must strictly comply with the covenants, conditions, and restrictions set forth in the declaration, bylaws, and house rules. Your Committee further finds that the existing model of self-governance for condominium associations necessitates that condominium associations have mechanisms to enforce compliance.

2025-2751 SB146 HD1 HSCR HMSO-1



Furthermore, it is in the interests of unit owners and associations to resolve disputes in an efficient and equitable manner. This measure amends the conditions and procedures for resolving various condominium-related disputes.

Your Committee has amended this measure by:

- (1) Clarifying that all costs and expenses, including attorneys' fees, incurred in connection with certain activities are to be promptly paid on demand, but may still be disputed;
- (2) Deleting all language relating to early neutral evaluation;
- (3) Specifying that the form of mediation that is mandatory is evaluative mediation;
- (4) Inserting amounts for the maximum support provided by the Condominium Education Trust Fund for evaluative mediation and binding arbitration to be \$3,500 and \$6,000, respectively;
- (5) Amending the required qualifications for mediators and arbitrators by:
  - (A) Specifying that the required qualification for mediators is three years of mediation experience, rather than five years of experience as a licensed attorney and an unspecified number of years of professional experience related to condominiums; and
  - (B) Specifying, for arbitrators, that the required minimum years of experience related to condominiums be at least two years;
- (6) Clarifying that a mediator's oral or written statement of evaluation shall only be available if the parties fail to settle during evaluative mediation;
- (7) Repealing the authority for the Real Estate Commission to require disputes to be submitted to nonbinding alternative dispute resolution;



- (8) Clarifying that requests for evaluative mediation must occur before the initiation of an action concerning the assessment; and
- (9) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 146, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 146, S.D. 1, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

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



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SCOT Z. MATAYOSHI, Chair



