

STAND. COM. REP. NO.

1062

Honolulu, Hawaii

FEB 28 2025

RE: S.B. No. 147
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 147, S.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:

- (1) Establish processes and requirements for condominium associations to impose fines on unit owners, tenants, and guests who use condominium property for violations of the declaration, bylaws, or house rules; and
- (2) Prohibit associations from charging attorneys' fees with respect to any fines that are not deemed collectible.

Your Committee received testimony in support of this measure from the Community Associations Institute, Hawaii First Realty, and four individuals.

Your Committee received testimony in opposition to this measure from the Law Offices of Mark. K. McKellar, LLC; Lakeview Sands Association of Apartment Owners; Nakamoto Realty, LLC; and eleven individuals.

Your Committee received comments on this measure from the Hawaii Mid and Short-Term Rental Alliance and two individuals.



Your Committee finds that existing law is intended to provide condominium associations with adequate remedies to enforce compliance and that persons subject to enforcement actions receive due process. However, existing laws governing condominium associations do not provide adequate protection to unit owners in dispute with their condominium associations. For example, it is not uncommon for an association board to hire legal counsel to respond to a unit owner's request and then charge the unit owner for the attorneys' fees. Accordingly, this measure clarifies the procedures by which an association board and a unit owner may resolve disputes and protects unit owners by prohibiting associations from seeking attorneys' fees and costs before a fine is deemed collectable.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 147, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 147, S.D. 2.

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



KARL RHOADS, Chair



