

STAND. COM. REP. NO. 1295

Honolulu, Hawaii

MAR 18, 2025

RE: S.B. No. 253
S.D. 2
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. 253, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUM RESERVES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require condominium association budget summaries to include all required information without referring the reader to other portions of the budget or reserve study;
- (2) Provide that the defense of good faith compliance is unavailable to any condominium association whose board adopts a budget that omits the required detailed budget summary; and
- (3) Provide that a unit owner has standing to enforce a board's compliance with the statutory provisions relating to a condominium association's budget, if the board failed to substantially comply with those provisions.

Your Committee received testimony in support of this measure from Hawaii First Realty; Hawai'i Association of REALTORS; and five

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individuals. Your Committee received testimony in opposition to this measure from the Palehua Townhouse Association; Honolulu Tower AOA; Hawaii Council of Community Associations; AOA Lakeview Sands; and numerous individuals.

Your Committee finds that the Legislature has recently passed laws to increase transparency and accuracy with respect to condominium association replacement reserves and reserve studies. Your Committee further finds that additional effort is needed to ensure that condominium associations are complying with these new laws. Accordingly, this measure is intended to increase condominium association compliance with recent disclosure requirements associated with reserve studies and budget summaries.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) 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. 253, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 253, S.D. 2, 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,



SCOT Z. MATAYOSHI, Chair



