Honolulu, Hawaii

March 2, 2006

RE: H.B. No. 1935 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and Judiciary, to which was referred H.B. No. 1935 entitled:

"A BILL FOR AN ACT RELATING TO PLANNED COMMUNITY ASSOCIATIONS,"

beg leave to report as follows:

The purpose of this bill is to protect potential purchasers of residences in planned communities by:

- (1) Requiring sellers to provide a prospective purchaser with copies of the planned community association declaration and documents; and
- (2) Allowing the prospective purchaser to cancel the sales contract within 15 days of receipt of the declaration and documents.

The Waikoloa Community Action Group and a concerned citizen supported this bill. A concerned citizen supported this measure with amendments. The Hawaii Association of Realtors and Mililani Town Association opposed this bill.

While in agreement with the intent of this bill to provide protection for prospective buyers of units within a planned community, your Committees believe that the association declaration and documents should be disclosed to prospective buyers at the same time as other material facts about the

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property. Accordingly, your Committees have included the planned community association declaration and documents in the disclosure statement required by Chapter 508D, Hawaii Revised Statutes (HRS), Mandatory Seller Disclosures in Real Estate Transactions.

Your Committee finds that as amended, the bill provides the prospective purchaser with a right to rescind the sales contract pursuant to section 508D-5, HRS, within 15 days of receiving the disclosure statement.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1935, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1935, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committees on Consumer Protection & Commerce and Judiciary,

SYLVIA LUKE, Chair

ROBERT N. HERKES, Chair

State of Hawaii

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.:	Date:	0 10 10			
HB 1935		2/2/06)		
Committee Referral:	☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended	Pass, with amendments				
☐ Hold	□ Recommit				
CPC Members	Ayes	Ayes (WR)	Nays	Excused	
1. HERKES, Robert N. (C)	1				
2. SCHATZ, Brian (VC)	V				
3. CALDWELL, Kirk	1				
4. ITO, Ken	V				
5. KANOHO, Ezra R.				V	
6. KARAMATSU, Jon Riki	$\sqrt{}$				
7. MORITA, Hermina M.	V				
8. SONSON, Alex M.	\checkmark		·	÷	
9. SOUKI, Joseph M.	<i>\(\sigma_{\gamma} \)</i>				
10. MARUMOTO, Barbara C.	V				
11. STONEBRAKER, Bud					
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TOTAL	9			\mathcal{L}	
The recommendation is:					
☐ Not Adopted					
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If joint referral,	ommittee acronym(rt recommendation	•	
Vice Chair's or designee's signature:					
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State of Hawaii House of Representatives The Twenty-third Legislature

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Record of Votes of the Committee on Judiciary

HB 1935	² /2/06				
Committee Referral: CPC/JUD	☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended	Pass, with amendments				
☐ Hold	☐ Recommit				
JUD Members	Ayes	Ayes (WR)	Nays	Excused	
1. LUKE, Sylvia (C)	1				
2. OSHIRO, Blake K. (VC)	✓				
3. CALDWELL, Kirk	1				
4. KANOHO, Ezra R.				1	
5. KARAMATSU, Jon Riki	✓				
6. MORITA, Hermina M.	✓				
7. SONSON, Alex M.	✓				
8. SOUKI, Joseph M.	1				
9. MARUMOTO, Barbara C.	1				
10. THIELEN, Cynthia					
TOTAL	9			1	
The recommendation is: Adopted Not Adopted If joint referral,	nittee acronym	did not suppo	ort recommendation	ı.	
Vice Chair's or designee's signature:	\Rightarrow				
Distribution: Original (White) – Committee Dup	olicate (Yellow	v) – HMSO С	Ouplicate (Pink) – C	Clerk's Office	