STAND. COM. REP. NO. 349

Honolulu, Hawaii FEB 15 2007

RE: S.B. No. 1837

S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and Affordable Housing, to which was referred S.B. No. 1837 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to create a condominium commission to ensure a smooth transition into the provisions of chapter 514B, Hawaii Revised Statutes (HRS), and generally implement and enforce policies relating to condominiums in the State.

This measure also clarifies various provisions of the condominium law.

Testimony in support of this measure was submitted by the Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium & Cooperative Owners, Friends of Waikiki Banyan, and nine individuals. The Real Estate Commission, the Hawaii Chapter of the Community Associations Institute, and one individual submitted testimony in opposition to this measure.

Your Committee finds that the number of people living in condominiums in Hawaii has grown tremendously over the years and this measure seeks to address important issues facing condominium owners and to provide clarity in the current law. Specifically, this measure seeks to address these issues by creating a condominium commission, by giving the board of directors of a condominium association the authority to change or cancel

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management agreements, by clarifying who is considered a "unitowner" for purposes of being a board member, by clarifying that payment for assisted living services are only charged against owners who actually receive those services, and by re-enforcing the rights of owners to participate in board meetings.

Your Committee has amended this measure by:

- (1) Removing the creation of the condominium commission, as this requires a sunrise analysis by the State Auditor;
- (2) Removing language requiring that changes made with regard to the use of condominium property regimes under section 541B, HRS, also apply to condominiums under chapter 514A, HRS;
- (3) Removing language stating that limiting member participation in board meetings based upon concerns that it will extend the time of the meeting does not constitute "good cause" for limiting member participation;
- (4) Removing the appropriation to the condominium commission; and
- (5) Changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1837, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1837, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Commerce, Consumer Protection, and Affordable Housing,

BRIAN T. TANIGUCHI, Chair

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Commerce, Consumer Protection and Affordable Housing CPH

Bill / Resolution No.:* SB 1837	Committee Referral:		Da	Date: 2/13/2007	
The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
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IGE, David Y. (VC)		<i>√</i>			
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IHARA, Jr., Les					V
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TOTAL		5			
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency					