

Honolulu, Hawaii

FEB 28 2008

RE: S.B. No. 2312

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and
Affordable Housing, to which was referred S.B. No. 2312 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to provide diversification for the investment of condominium funds, especially for those condominium associations that have large memberships and a high amount of money to invest, by clarifying that condominium associations may invest association funds in certificates of deposit through the Certificate of Deposit Account Registry Service network.

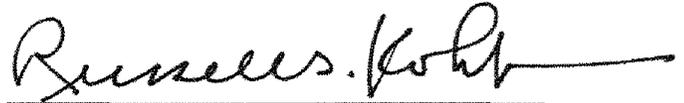
Testimony in support of this measure was submitted by the Hawaii Bankers Association. The Real Estate Commission, the Hawaii Association of Realtors, and the Hawaii Chapter of the Community Associations Institute submitted comments.

The Certificate of Deposit Account Registry Service (CDARS) is a program that enables even the smallest financial institution in Hawaii to provide its customers with access to multi-million dollar Federal Deposit Insurance Corporation (FDIC) insurance coverage for their certificates of deposit, and has been deemed an acceptable investment for public funds in Hawaii. While your Committee recognizes that the condominium associations already have the ability to invest in certificate of deposits through the CDARS network, your Committee finds that this measure eliminates any uncertainty as to whether CDARS is an authorized investment for condominium associations.



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. 2312 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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



RUSSELL S. KOKUBUN, Chair



