

Honolulu, Hawaii

April 24, 2007

RE: S.B. No. 1704
S.D. 1
H.D. 1
C.D. 1

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

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1704, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to amend chapter 514A, Hawaii Revised Statutes (HRS), by reenacting parts I, V, and VII, of chapter 514A, HRS, that were previously repealed by Act 164, Session Laws of Hawaii 2004, and to make other housekeeping amendments.

Your Committee finds that Act 213, Session Laws of Hawaii 2000, and Act 131, Session Laws of Hawaii 2003, required the Real Estate Commission to review chapter 514A, HRS, make findings and recommendations for the recodification of that chapter, and submit legislation consistent with its review to the Legislature. The recodified condominium law was submitted and subsequently enacted as Act 164, Session Laws of Hawaii 2004, Act 93, Session Laws of Hawaii



2005, and Act 273, Session Laws of Hawaii 2006, as chapter 514B, HRS. However, parts I, V, and VII of chapter 514A, HRS, were repealed during the process. This has made it more difficult for members of associations of apartment owners, boards, and others in the condominium business created prior to July 1, 2006, to understand and discern exactly what laws and rights are applicable to them.

Your Committee has amended this measure, as recommended by the Real Estate Commission, by:

- (1) Adding a new section to amend section 467, HRS, to include apartments defined in section 514A-3, HRS, and governed by chapter 514A, HRS, in the definition of "hotel condominium";
- (2) Adding a new section to amend section 514B-161, HRS, to require that if an apartment owner or the board of directors requests mediation of a dispute involving the interpretation or enforcement of the association of apartment owners' declaration, bylaws, or house rules, the other party in the dispute shall be required to participate in mediation;
- (3) Changing the effective date to provide that:
 - (a) Sections 2, 3, and 4, of this measure shall take effect retroactive to July 1, 2006;
 - (b) Section 514A-121.5(b) to (j) in section 2 of this measure shall be repealed on June 30, 2009; and
 - (c) Cases pending before the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs as part of the condominium dispute resolution pilot project established by section 28 of Act 164, Session Laws of Hawaii 2004, on June 30, 2006, that may have been dismissed due to the repeal of part VII of chapter 514A, HRS, shall be reinstated and subject to section 514A-121.5, in section 2 of this measure;
- (4) Making necessary technical and conforming amendments to sections 514A-6 and 514A-121.5, HRS, in section 2 of this measure; and



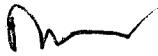
- (5) Making other technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1704, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1704, S.D. 1, H.D. 1, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



ROBERT N. HERKES, Chair



BRIAN T. TANIGUCHI, Chair



