STAND. COM. REP. NO.

982

Honolulu, Hawaii

MAR 2 7 2009

RE:

H.B. No. 876

H.D. 1

S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Madam:

Your Committees on Human Services and Commerce and Consumer Protection, to which was referred H.B. No. 876, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

beg leave to report as follows:

The purpose of this measure is to assist condominium associations by increasing the amount of unpaid common assessments that an association may collect against the subsequent owner of a foreclosed property and allowing an association to offer assistance to a disabled tenant who is having difficulty living independently.

Testimony in support of this measure was submitted by the Hawaii Council of Associations of Apartment Owners, Hawaii Bankers Association, and Hawaii Independent Condominium and Cooperative Owners. Comments on this measure were provided by Hawaii Financial Services Association and the Community Associations Institute, Hawaii Chapter. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that mortgage foreclosures impact condominium associations when the owner of a foreclosed property fails to pay association maintenance fees. The association continues to be responsible for maintaining the common areas and providing the common benefits such as water, electricity, and maintenance staff of the property, regardless of whether the association receives all of the fees due. Your Committees find

2009-1743 SSCR SMA.doc

that the maximum amount that an association can assess under the current law is insufficient to cover the actual maintenance costs incurred.

Your Committees further find that associations and their members should be supported in their good faith efforts to assist fellow residents who have difficulty living independently. The current law protects associations from liability for good faith efforts to assist elderly residents who may be in need of assessment or social services in order to maintain independent living and avoid harm to self or others. This measure allows associations to also offer assistance to disabled residents.

Your Committees have amended this measure by:

- (1) Replacing the blank dollar amount in Part I with \$3,600;
- (2) Incorporating amendments from the companion to this measure, S.B. No. 572 S.D. 2, which was heard and approved by your Committees;
- (3) Including non-profit and for-profit mental health service entities as possible providers of functional assessments; and
- (4) Making technical, nonsubstantive changes for the purposes of style.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 876, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 876, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Respectfully submitted on behalf of the members of the Committees on Human Services and Commerce and Consumer Protection,

ROSALYN H. BAKER, Chair

SUZANNE CHUN OAKLAND, Chair

The Senate Twenty-Fifth Legislature State of Hawaii

Record of Votes Committee on Human Services HMS

| Bill / Resolution No.:* HB 876, HD I | Committee Referral: Date: 3-17-09 | | | | | | | |
|--|-----------------------------------|-----|--|-----|--|--|--|--|
| 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 | | | |
| CHUN OAKLAND, Suzanne (C | ;) | | E 2 11411 | | Euclide de la constant de la constan | | | |
| IHARA, Jr., Les (VC) | | V | | | | | | |
| GREEN, M.D., Josh | | ν | | | | | | |
| HEMMINGS, Fred | | | | | <u> </u> | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | 100 pm 10 | | | | | |
| | | | | | | | | |
| TOTAL | | 3 | 0 | 0 | | | | |
| Recommendation: Adopted Not Adopted | | | | | | | | |
| Chair's or Designee's Signature: | | | | | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | | | | | |

The Senate Twenty-Fifth Legislature State of Hawaii

Record of Votes Committee on Commerce and Consumer Protection CPN

| Bill / Resolution No.:* HB 876 HD1 | Committee Refer | | Date: 3/19/2009 | | | | |
|--|-----------------|----------|-----------------|----------|--|--|--|
| 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 | Ау | e Aye (W | R) Nay | Excused | | | |
| BAKER, Rosalyn H. (C) | | | | | | | |
| IGE, David Y. (VC) | V | | | | | | |
| ESPERO, Will | ✓ | | | | | | |
| GREEN, M.D., Josh | | | | | | | |
| IHARA, Jr., Les | | | | √ | | | |
| SAKAMOTO, Norman | ✓ | | | | | | |
| HEMMINGS, Fred | | | | · V | | | |
| | | | | | | | |
| | Land Company | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | 2 | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| TOTAL | | | | 2 | | | |
| Recommendation: Adopted Not Adopted | | | | | | | |
| Chair's or Designee's Signature: | | | | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | | | | |

*Only one measure per Record of Votes