Honolulu, Hawaii

APR 04 2012

RE: H.B. No. 1706
H.D. 1
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

     Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 1706, H.D. 1, entitled:

     "A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

     The purpose and intent of this measure is to protect condominium owners in Hawaii by requiring owners of residential units who reside out-of-state or on a different island than the unit to provide the managing agent or resident manager of the condominium property with contact information of a rental agent located in the State who is responsible for the management of the unit.

     Your Committee received testimony in support of this measure from the Department of Taxation; Hawaii Association of REALTORS; Hawaiian Dream Properties; Exclusive Getaways; Garden Island Properties, LLC; and five individuals. Your Committee received testimony in opposition to this measure from Bridges to Paradise Rentals, Inc.; Sunset Shores Maui; Partners in Paradise; South Maui Condos Owner Direct Rental Network; Hawaii Vacation Rental Owners Association; Sunshine & Rainbows LLC; and numerous individuals.

     Your Committee finds that the subject matter addressed in this measure is more appropriately addressed in H.B. No. 2078, S.D. 2.
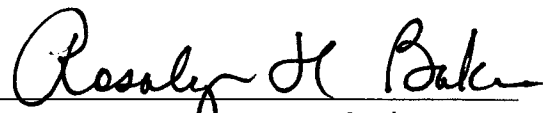
Your Committee also finds that S.B. No. 2465, S.D. 1, which was previously passed by the Senate, is another measure that is intended to protect condominium owners in Hawaii. S.B. No. 2465, S.D. 1, contains language that would allow petitioners adequate time to be heard at a requested special association meeting and would prohibit an association from adopting rules for association meetings that would otherwise require a vote of the majority of the quorum to change, with certain exceptions.

Your Committee further finds that current rules generally used for special association meetings limit the opportunity for the owners who request these meetings to be heard. S.B. No. 2465, S.D. 1, addresses this concern, while also conforming to the requirements of Robert's Rules of Order Newly Revised, the guidebook on meeting management that governs association and board meetings. Your Committee therefore concludes that S.B. No. 2465, S.D. 1, is an important measure that will protect a condominium owner's right to be heard at special association meetings.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 2465, S.D. 1.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1706, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1706, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Commerce and Consumer Protection,
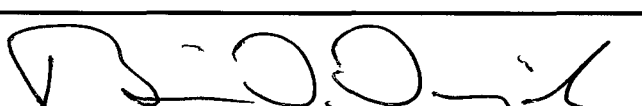
ROSALYN H. BAKER, Chair

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The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:
HB 1706 HD1	CPN	3-30-12

☐ 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
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
GALUTERIA, Brickwood				✓
GREEN, M.D., Josh				✓
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama				✓
SLOM, Sam		✓		
TOTAL	3	1	0	3

Recommendation: ☑ Adopted   ☐ Not Adopted

Chair's or Designee's Signature:

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*Only <u>one</u> measure per Record of Votes