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Honolulu, Hawaii

February 28

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RE: H.B. No. 138 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2013 State of Hawaii

## Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 138 entitled:

"A BILL FOR AN ACT RELATING TO REAL ESTATE SELLER DISCLOSURE,"

begs leave to report as follows:

The purpose of this measure is to eliminate confusion relating to the application of the seller disclosure law by:

- (1) Establishing a uniform standard for disclosure of restrictive covenants and related information in the sale of residential real property in condominium projects, cooperative housing corporations, and other community associations;
- (2) Clarifying the types of documents that are required to be disclosed;
- (3) Requiring the disclosure of documents within ten days after the title report is received; and
- (4) Allowing for the electronic receipt of documents with the buyer's consent.

The Hawaii Association of REALTORS testified in support of this measure.

Your Committee has amended this measure by:

- (1) Clarifying the seller's duty to provide the buyer with applicable public records pursuant to requirements for document disclosure contained in this measure;
- (2) Changing its effective date to May 1, 2014, to allow members of the affected industry sufficient time to comply with changes to the disclosure laws pursuant to this measure; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 138, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 138, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ANGUS L.K. McKELVEY, Chair



## State of Hawaii House of Representatives The Twenty-seventh Legislature

## **Record of Votes of the Committee on Consumer Protection & Commerce**

Bill/Resolution No.: HB 138	Committee Referral:	Date:	2/25/13	3
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)				
2. KAWAKAMI, Derek S.K. (VC)	/			
3. BELATTI, Della Au				
4. BROWER, Tom				~
5. CABANILLA, Rida T.R.	1			
6. CACHOLA, Romy M.				
7. CARROLL, Mele				
8. EVANS, Cindy				
9. HAR, Sharon E.				
10. ITO, Ken	/			
11. LEE, Chris				
12. TSUJI, Clift				
13. YAMANE, Ryan I.				
14. MCDERMOTT, Bob				
15. THIELEN, Cynthia	<b>Y</b>			
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TOTAL (15)		\$		
The recommendation is:  Adopted				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				