STAND. COM. REP. NO.

Honolulu, Hawaii March 28 , 2013 RE: S.B. No. 502 S.D. 1 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 S.B. No. 502, S.D. 1, 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 require that real property transactions involving condominium projects, cooperative housing corporations, and other community associations follow a uniform standard of document disclosure.

Specifically, this measure:

- (1) Requires sellers of residential real property subject to recorded declaration to disclose the articles of incorporation, bylaws, organizational documents, rules, and documentation of restrictions or conditions on use of the real property;
  - (2) Provides a deadline for the disclosure of the required documents; and
  - (3) Authorizes sellers to disclose documents electronically, upon the buyer's consent.



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The Hawaii Association of Realtors submitted testimony in support of this measure.

Your Committee finds that establishing a uniform standard of document disclosure for sales of real property involving condominiums, cooperative housing corporations, and community associations will benefit buyers, sellers, and realtors by clarifying which documents and information must be disclosed during sales of real property subject to a recorded declaration. Your Committee also finds that authorizing electronic disclosure of documents will increase efficiency in planned community transactions.

Your Committee has amended this measure by making it effective upon approval and applicable to contracts or agreements entered into on or after May 1, 2014.

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 S.B. No. 502, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 502, S.D. 1, 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

HSCR 1239

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

Bill/Resolution No.: SB 502 501 Committee	e Referral:	Date:	03/20/	2013
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	$\checkmark$			_
5. CABANILLA, Rida T.R.				1
6. CACHOLA, Romy M.				
7. CARROLL, Mele				1
8. EVANS, Cindy				
9. HAR, Sharon E.				
10. ITO, Ken	$\checkmark$			
11. LEE, Chris	~			
12. TSUJI, Clift	$\checkmark$			
13. YAMANE, Ryan I.	$\checkmark$			
14. MCDERMOTT, Bob	/			
15. THIELEN, Cynthia				
			-	
TOTAL (15)	12			3
The recommendation is: Adopted Involved Adopted Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				