Honolulu, Hawaii **March 21**, 2014

RE: S.B. No. 2483

S.D. 1 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2483, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUM ASSOCIATIONS,"

begs leave to report as follows:

The purpose of this measure, as received by your Committee, is to amend state condominium laws by specifying that:

- (1) The priority of a condominium association's lien for unpaid common expenses is subordinate to all real property tax liens, rather than all tax liens, on the unit; and
- (2) Condominium associations may assess unpaid common expenses against a purchaser or mortgagee of a delinquent unit in a judicial or nonjudicial power of sale foreclosure.

For the purposes of a public hearing on this bill, your Committee circulated H.B. 2483, S.D. 1, H.D. 1 (Proposed Draft) and notified the public that it would be accepting testimony on the proposal, which:

(1) Removes the provision relating to priority of a condominium association's lien for unpaid common expenses; and

(2) Clarifies condominium board election rules by permitting boards to fill vacancies without elections only temporarily and setting out meeting and notice requirements for elections to fill vacancies.

The Hawaii Council of Associations of Apartment Owners and the Community Associations Institute Hawaii Chapter provided comments on this measure in the form in which it was received by your Committee.

The Department of Taxation, Hawaii State Bar Association Collection Law Section, and an individual provided comments on the Proposed Draft of this measure circulated and noticed by your Committee.

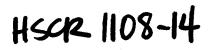
Your Committee considered the merits of both S.B. No. 2483 S.D. 1, as received by your Committee, and the Proposed Draft and upon careful consideration, adopted the Proposed Draft. Your Committee further amended the Proposed Draft by changing its effective date to July 1, 2014.

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. 2483, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2483, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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 and Commerce

Bill/Resolution No.: SB 2483, SD1				ite: 3/17//	4
☐ 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)		1			
2. KAWAKAMI, Derek S.K. (VC)			· ·		
3. BELATTI, Della Au					
4. BROWER, Tom			allo Mariana de la companio de la c	ass thus and a second strips upon the	77 47 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
5. CACHOLA, Romy M.					
6. CREAGAN, Richard	Vactoria esta				
7. EVANS, Cindy					
8. HAR, Sharon E. 9. ITO, Ken		7/15 B.R			
10. LEE, Chris					
11. NAKASHIMA, Mark M.	EFEA.				
12. OSHIRO, Marcus R.	ATIEN EN CE MES AN		THE HAZAGOSTUSTS OF		
13. TSUJI, Clift		1514185	i an e		
14. YAMANE, Ryan I.		/	marrow (Tary NESS)	Supplied the supplies of the s	
15. MCDERMOTT, Bob	454				M. A. Apaly
16. THIELEN, Cynthia					
					
· · · · · · · · · · · · · · · · · · ·					· · · · · · · · · · · · · · · · · · ·
				_	
					-
		·		•	
		17			4
TOTAL (16)		12			1
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					