Honolulu, Hawaii

APR 2 8 2017

RE: S.B. No. 292
       S.D. 1
       H.D. 1
       C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sirs:

    Your Committee on Conference on the disagreeing vote of the
Senate to the amendments proposed by the House of Representatives in
S.B. No. 292, S.D. 1, H.D. 1, entitled:

    "A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

having met, and after full and free discussion, has agreed to
recommend and does recommend to the respective Houses the final
passage of this bill in an amended form.

    The purpose of this measure is to repeal chapter 514A, Hawaii
Revised Statutes, relating to condominium property regimes, on
January 1, 2019, and ensure that all condominiums in the State are
governed under chapter 514B, Hawaii Revised Statutes, relating to
condominiums.

    Your Committee on Conference finds that two condominium
chapters are currently maintained: chapter 514A, Hawaii Revised
Statutes (chapter 514A), and chapter 514B, Hawaii Revised Statutes
(chapter 514B). Chapter 514A is relevant only to condominium
property regimes that were created before July 1, 2006. Chapter
514B has applied to all condominiums created within the State since

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July 1, 2006, and virtually all provisions of chapter 514B that affect the management of condominiums have applied automatically to condominiums in existence before July 1, 2006, the effective date of chapter 514B. Your Committee on Conference further finds that this measure repeals chapter 514A, ensures that all condominiums in the State are governed under chapter 514B, and is needed to eliminate the unnecessary confusion caused by maintaining two condominium chapters under Hawaii law.

However, your Committee on Conference notes that certain condominium projects created prior to July 1, 2006, may still be required to submit various types of public reports to the Real Estate Commission. It is therefore important for this measure to include an appropriate safe harbor mechanism for all condominiums and projects in the State created prior to July 1, 2006, to ensure the smooth transition of these condominiums and projects to chapter 514B.

Accordingly, your Committee on Conference has amended this measure by:

(1) Including a safe harbor provision, which:

    (A) Permits condominium property regimes created prior to July 1, 2006, to be sold on or after January 1, 2019, without revising any of the governing documents; provided that the developer's public report was active on January 1, 2019, and is accurate and not misleading;

    (B) Specifies that on January 1, 2019, all active, non-expired developer's public reports under chapter 514A will be treated as non-expiring public reports under chapter 514B, but requires developers to file an amended public report if any pertinent or material changes occur to the condominium project;

    (C) Requires condominium property regimes created prior to July 1, 2006, but were not issued an effective date and did not file a notice of intent under chapter 514A to revise their governing documents and register under chapter 514B, for a developer to offer for sale or sell condominiums; and

    (D) Specifies that nothing in this measure shall be deemed to invalidate any condominium property regime

that was validly created under chapter 514A prior to July 1, 2006;

(2) Deleting language that specified developers of projects registered under chapter 514A, but not yet brought to market for sale, had until January 1, 2019, to register such projects with the Real Estate Commission and bring the projects to market;

(3) Changing its effective date to January 1, 2019; and

(4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 292, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 292, S.D. 1, H.D. 1, C.D. 1.
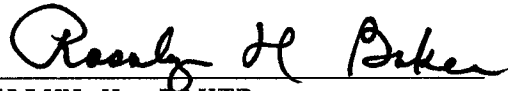
Respectfully submitted on behalf of the managers:
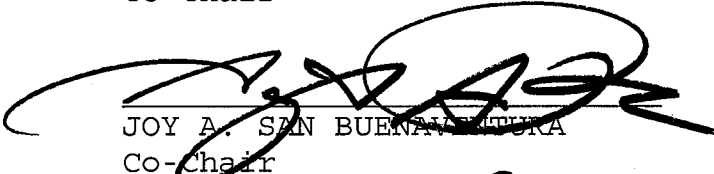
ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE

_____
ROY M. TAKUMI
Co-Chair

_____
ROSALYN H. BAKER
Chair

_____
JOY A. SAN BUENAVENTURA
Co-Chair

_____
TY J. K. CULLEN
Co-Chair

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Hawaii State Legislature

CCR90

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.:	Date/Time:
SB 292, SD 1, HD 1	4-24-17 3:31 pm

☑ The recommendation of the House and Senate managers is to pass with amendments (CD).

☐ The Committee is reconsidering its previous decision.

☐ The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					☐ The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.	✓				TAKUMI, Roy M., Co-Chr.	✓			
IHARA, Les, Jr.	✓				SAN BUENAVENTURA, Joy A., Co-Chr.	✓			
KIDANI, Michelle N.				✓	CULLEN, Ty J.K., Co-Chr.	✓			
					WARD, Gene				✓
TOTAL	2	—	—	1	TOTAL	3	—	—	1

A = Aye   **WR** = Aye with Reservations   **N** = Nay   **E** = Excused

Senate Recommendation is:	House Recommendation is:
☑ Adopted ☐ Not Adopted	☑ Adopted ☐ Not Adopted
Senate Lead Chair's or Designee's Signature:	House Lead Chair's or Designee's Signature:
(signature)	*(signature)*

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