STAND. COM. REP. NO. 59

Honolulu, Hawaii

February 6, 2019

RE: H.B. No. 1557

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1557 entitled:

"A BILL FOR AN ACT RELATING TO UNOCCUPIED RESIDENTIAL PROPERTIES,"

begs leave to report as follows:

The purpose of this measure is to prevent a residential property subject to a judicial foreclosure action from becoming unoccupied by:

- (1) Imposing a fine upon the homeowner of a property going through the foreclosure process, the foreclosing party, or prevailing purchaser under certain conditions;
- (2) Requiring counties to regulate rentals of foreclosed properties and enforce fines; and
- (3) Specifying the manner in which the property may be rented during the pendency of the foreclosure proceeding.

Two individuals testified in support of this measure.

Hawaiian Properties, Ltd., Associa, Hawaii Chapter of the

Community Associations Institute Legislative Action Committee,

Hawaii Financial Services Association, Hawaii Bankers Association,

and an individual testified in opposition. The Office of Consumer Protection of the Department of Commerce and Consumer Affairs provided comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that testimony has raised concerns regarding the fines imposed by this measure, such as constitutional concerns and fairness concerns as judicial sales may be postponed for various reasons outside of the foreclosing party's control. Should your Committee on Judiciary consider this measure, your Committee respectfully requests that it examine the fines imposed by this measure.

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. 1557, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1557, H.D. 1, and be referred to your Committee on Judiciary.

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

ROY M. TAKUMI, Chair

State of Hawaii House of Representatives The THIRTIETH Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 1557	Committee Referral: OPC, JUD, FIN	Date:	2/1/	19
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)	√			
2. ICHIYAMA, Linda (VC)	./			
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3. AQUINO, Henry J.C.			- Killi ib serve is see se	
4. BELATTI, Della Au				\
5. CABANILLA ARAKAWA, Rida	a			√
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6. CACHOLA, Romy M.	v			
7. HAR, Sharon E.				
8. KONG, Sam Satoru		/	ganinin lita (18.3 min) lintestidin (1911). lin 1911 in 19	
9. MIZUNO, John M.				/
10. ONISHI, Richard H.K.				
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