

EXECUTIVE CHAMBERS KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D. GOVERNOR KE KIA'ĀINA

April 21, 2023

The Honorable Ronald D. Kouchi President of the Senate, and Members of the Senate Thirty-Second State Legislature State Capitol, Room 409 Honolulu, Hawai'i 96813 √The Honorable Scott K. Saiki Speaker, and Members of the House of Representatives Thirty-Second State Legislature State Capitol, Room 431 Honolulu, Hawaiʻi 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB921, without my approval and with the statement of objections relating to the measure.

SB921

RELATING TO LIMITATIONS OF ACTIONS.

Sincerely,

Josh Green, M.D. Governor, State of Hawai'i EXECUTIVE CHAMBERS
HONOLULU
April 21, 2023

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 921

Honorable Members Thirty-Second Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 921, entitled "A Bill for an Act Relating to Limitations of Actions."

The purpose of this bill is to extend the deadline to clarify and expressly state that the tolling provision in section 514B-141, Hawaii Revised Statutes, applies to protect the rights of condominium associations to assert legal claims for construction defects against developers until two years after the developer's control of the condominium development is terminated.

This bill is objectionable because it appears to have the unintended consequence of increasing the costs of housing. The bill creates the potential for increased liability which results in the need for additional insurance coverage, which costs are ultimately borne and paid for by the buyers. Our administration is focused on alleviating our critical housing shortage in Hawai'i and we are reluctant to enact any new law that could add costs to housing or delays in construction. While this bill has merit and I commend its sponsors for their work, I am concerned that it will only add costs on future projects, and therefore, have decided to veto this bill.

For the foregoing reasons, I am returning Senate Bill No. 921 without my approval.

Respectfully,

JÖSH GREEN, M.D. Governor of Hawaiʻi



THE SENATE THIRTY-SECOND LEGISLATURE, 2023 STATE OF HAWAII

S.B. NO. 921

JAN 2 0 2023

A BILL FOR AN ACT

RELATING TO LIMITATIONS OF ACTIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The legislature finds that any statute of
- 2 limitations affecting a condominium association's right of
- 3 action against a developer is tolled until the period of
- 4 developer control terminates. Current statutory language does
- 5 not expressly state that tolling applies to the statute of
- 6 repose that also limits actions based on construction to improve
- 7 real property. The period of developer control can, in some
- 8 situations, extend past the deadline set by the statute of
- 9 repose.
- 10 The legislature further finds that a condominium
- 11 association should have a reasonable opportunity to assert legal
- 12 claims once the period of developer control terminates,
- 13 notwithstanding the statute of repose. Accordingly, the purpose
- 14 of this Act is to clarify that the tolling provision in section
- 15 514B-141 applies to the statute of repose.
- 16 SECTION 2. Section 514B-141, Hawaii Revised Statutes, is
- 17 amended by amending subsection (c) to read as follows:

2023-0748 SB SMA.docx

S.B. NO. 921

1	"(c) Any statute of limitation affecting the association's
2	right of action against a developer is tolled until the period
3	of developer control terminates[+]; provided that,
4	notwithstanding section 657-8, no statute of repose shall affect
5	the association's right of action against a developer sooner
6	than two years after the period of developer control terminates.
7	A unit owner is not precluded from maintaining an action
8	contemplated by this section because the unit owner is a unit
9	owner or a member or officer of the association. Liens
10	resulting from judgments against the association are governed by
11	section 514B-147."
12	SECTION 3. Statutory material to be repealed is bracketed
13	and stricken. New statutory material is underscored.
14	SECTION 4. This Act shall take effect upon its approval.
15	120001
	INTRODUCED BY:

APPROVED this

day of

, 2023

GOVERNOR OF THE STATE OF HAWAI'I

2023-0748 SB SMA.docx

2

THE SENATE OF THE STATE OF HAWAI'I

Date: March 7, 2023 Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Third Reading in the Senate of the Thirty-Second Legislature of the State of Hawai'i, Regular Session of 2023.

President of the Senate

Clerk of the Senate

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAI'I

APR 0 3 2023

Date:

Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Third Reading in the House of Representatives of the Thirty-Second Legislature of the State of Hawai'i, Regular Session of 2023.

18mm

Speaker, House of Representatives

Clerk, House of Representatives

Mi Lillet