STAND. COM. REP. NO.



Honolulu, Hawaii

FEB 08 ' 2023

RE: H.B. No. 381 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 381 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to repeal the sunset date of Act 196, Session Laws of Hawaii 2018, which allowed for voluntary binding arbitration for condominium-related disputes and amended the conditions for mediation.

Your Committee received testimony in support of this measure from the Real Estate Commission; Hawaii Council of Associations of Apartment Owners; Legislative Action Committee of the Community Associations Institute, Hawaii Chapter; and three individuals. Your Committee received testimony in opposition to this measure from Kokua Council and three individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that subsidizing the expense of arbitrations incentivizes parties to voluntarily choose binding arbitration of condominium-related disputes. Act 196, Session Laws of Hawaii 2018 (Act 196), which provides condominium owners and associations additional remedies to address and resolve condominium-related disputes without having to resort to litigation, has successfully encouraged the use of alternative

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dispute resolution as a valuable self-governance tool. Your Committee therefore believes that the success of Act 196 merits making it permanent.

Your Committee has amended this measure by:

- (1)Changing the effective date to June 30, 2030, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 381, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 381, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

> Respectfully submitted on behalf of the members of the Committee on Housing,

Chair

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State of Hawaii House of Representatives The Thirty-second Legislature

HSCR 158

Record of Vot	es of the Com	mittee on Housin	ng	
Sill/Resolution No.: Commi	ttee Referral:	FIN Date:	2/3/23	
The committee is reconsidering its previous decis	ion on the measure.		• •	
The recommendation is to: Pass, unamended Pass short form		ass, with amendments (commit for future public		
HSG Members	Ayes	Ayes (WR)	Nays	Excused
HASHIMOTO, Troy N. (C)		Art 1550/1000000000000000000000000000000000		
AIU, Micah P.K. (VC)				
KILA, Darius K.	 ✓ 			
KITAGAWA, Lisa				
MARTEN, Lisa				
ONISHI, Richard H.K.				
TODD, Chris				
MATSUMOTO, Lauren				
2701		_		
			· · · · · · · · · · · · · · · · ·	
TOTAL (8)	B			
The recommendation is: Adopted If joint referral, _	Not Adop committee acronyr	did not suppo	rt recommendatio	n.
/ice Chair's or designee's signature:	La	ć		
Distribution: Original (White) – Committee	Duplicate (Yellow)	- Chief Clerk's Office	Duplicate (Pink) – HMSO