

STAND. COM. REP. NO. 1694

Honolulu, Hawaii

APR 04 2023

RE: S.C.R. No. 124

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.C.R. No. 124 entitled:

"SENATE CONCURRENT RESOLUTION URGING THE REAL ESTATE COMMISSION TO DEVELOP POLICIES AND PROGRAMS TO INFORM AND EDUCATE CONDOMINIUM ASSOCIATION OWNERS AND BOARD MEMBERS OF CERTAIN MATTERS TO PROMOTE THE EFFICIENT ADMINISTRATION OF CONDOMINIUM ASSOCIATIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to urge the Real Estate Commission to develop policies and programs to inform and educate condominium association unit owners and board members of certain matters to promote the efficient administration of condominium associations.

Your Committee received testimony in support of this measure from the Real Estate Commission, Hui 'Oia'i'o, Hawaii Council of Associations of Apartment Owners, and seven individuals.

Your Committee finds that a condominium's association is comprised of its unit owners. The association's duties and powers are outlined in section 514B-104, Hawaii Revised Statutes, and the association must comply with its governing declaration, bylaws, house rules, and policies. Each year, association unit owners elect board members to manage their condominium's operations; pay assessments for the operation, repair, and maintenance of their condominiums; and fund reserves for deferred maintenance. Chapter



514B, Hawaii Revised Statutes, provides that every director owes the association a fiduciary duty in the performance of the director's duties, as confidence, trust, and reliance of one party is placed upon the judgment of another. Some board members may be unaware or unfamiliar with certain laws or rules, may not fully understand or may misinterpret their provisions, or misunderstand their duties or responsibilities, leading to frustration, hostility, and conflict. The State's Real Estate Commission is required to manage the Condominium Education Trust Fund to promote, among other things, education and research in condominium management, the improvement and more efficient administration of associations, and the expeditious and inexpensive resolution of association disputes. This measure urges the Real Estate Commission to use the Condominium Education Trust Fund to develop policies and programs to inform and educate condominium association unit owners and board members of certain matters to promote the efficient administration of condominium associations.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 124 and recommends its adoption.

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



JARRETT KEOHOKALO, Chair



