

STAND. COM. REP. NO. **398** -24

Honolulu, Hawaii

FEB 14 , 2024

RE: H.B. No. 2313
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2313 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to repeal the cutoff date established by Act 196, Session Laws of Hawaii 2018, that allowed the use of funds in the Condominium Education Trust Fund initially dedicated to supporting voluntary binding arbitration to be used for other educational purposes.

Your Committee received testimony in support of this measure from the Palehua Townhouse Association and one individual. Your Committee received testimony in opposition to this measure from Hawaii First Realty LLC. Your Committee received comments on this measure from one individual.

Your Committee finds that Act 196, Session Laws of Hawaii 2018 (Act 196), temporarily expanded the scope of the Condominium Education Trust Fund to cover voluntary binding arbitration between interested persons and amended the conditions that mandate mediation and exceptions to mandatory mediation. Your Committee further finds that these alternative dispute resolution remedies were found to be successful and made permanent by Act 57, Session Laws of Hawaii 2020. However, the cutoff date established by Act

2024-1231 HB2313 HD1 HSCR HMSO



196 for the authorized use of funds initially dedicated to supporting voluntary binding arbitration was not made permanent and sunset on June 30, 2023. This measure therefore repeals the cutoff date established by Act 196 to ensure that Condominium Education Trust Fund monies that were initially dedicated to supporting voluntary binding arbitration can continue to be used for the other statutory educational purposes.

Your Committee has amended this measure by changing the effective date to July 1, 3000, to encourage further discussion.

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. 2313, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2313, H.D. 1, and be referred to your Committee on Finance.

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



MARK M. NAKASHIMA, Chair



