

STAND. COM. REP. NO. **3274**

Honolulu, Hawaii

MAR 22 2024

RE: H.B. No. 2524
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred H.B. No. 2524, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose and intent of this measure is to require:

- (1) The Real Estate Commission (Commission) to receive and investigate complaints by condominium unit owners against associations that are subject to condominium laws; and
- (2) The Ombudsman to issue findings within an unspecified number of days after a complaint is filed with the Ombudsman against the Commission regarding the Commission's duties.

Your Committee received testimony in support of this measure from eight individuals.

Your Committee received testimony in opposition to this measure from the Hawai'i Real Estate Commission; Honolulu Tower Association of Apartment Owners; Law Offices of Mark K. McKellar, LLC; and fifteen individuals.



Your Committee received comments on this measure from the Office of the Ombudsman and four individuals.

Your Committee finds that there needs to be stronger oversight on homeowner associations in the State. According to testimony received by your Committee, a neutral third-party is necessary to oversee and enforce complaints by condominium unit owners against their homeowner association. This measure will ensure that the complaints by condominium unit owners against associations are properly investigated and resolved in a timely manner.

Your Committee has amended this measure by:

- (1) Attaching a condominium ombudsman to the Real Estate Commission to receive and investigate complaints by condominium unit owners against associations that are subject to condominium laws;
- (2) Specifying that findings be issued within thirty days after a complaint is filed against the Commission regarding the Commission's duties;
- (3) Inserting language that prevents a simple majority from immediately removing a director elected by cumulative voting;
- (4) Inserting an effective date of July 1, 2491, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2524, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2524, H.D. 1, S.D. 1, and be referred to your Committees on Commerce and Consumer Protection and Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Government
Operations,



ANGUS L.K. MCKELVEY, Chair



