

STAND. COM. REP. NO. 590-24

Honolulu, Hawaii

FEB 16, 2024

RE: H.B. No. 2801  
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. 2801 entitled:

"A BILL FOR AN ACT RELATING TO COMMERCIAL PROPERTY ASSESSED FINANCING,"

begs leave to report as follows:

The purpose of this measure is to allow condominiums to participate in a commercial property assessed financing program.

Your Committee received testimony in support of this measure from the Hawaii State Energy Office; Hawaii Green Infrastructure Authority; Community Associations Institute Hawaii Legislative Action Committee; Palehua Townhouse Association; Hawaii First Realty LLC; Nuveen Green Capital; C-PACE Alliance, Inc.; PACE Loan Group; CastleGreen Finance, LLC; Hawaii Insurers Council; AOA at Pat's at Punalu'u; Petros PACE Finance, LLC; Hawai'i Association of REALTORS; Zephyr Insurance Company; Tradewind Group; United Association of Plumbers and Fitters of Hawaii, Local 675; Hawai'i Energy; Hawaii Solar Energy Association; Mortgage Bankers Association of Hawaii; AARP Hawai'i; and three individuals. Your Committee received comments on this measure from the Hawaii Credit Union League and Hawaii Bankers Association.

Your Committee finds that more than two hundred eight-one high-rise residential buildings, primarily condominiums developed



before 1975, have failed to pass safety evaluations due to the lack of fire sprinklers or other safety requirements. Your Committee further finds that the costs to install fire safety measures are substantial for condominiums. This measure would provide a mechanism to finance fire safety, renewable energy, and other efficiency and resiliency measures at a more affordable option for condominium owners.

Your Committee has amended this measure by:

- (1) Conforming the existing commercial property assessed financing law to the provisions of this measure;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 2801, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2801, 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



