STAND. COM. REP. NO. 1199 -24

Honolulu, Hawaii

MAR 19 , 2024

RE: S.B. No. 2727

S.D. 2 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 S.B. No. 2727, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

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 Department of Commerce and Consumer Affairs; Hawai'i Green Infrastructure Authority; Hawai'i State Energy Office; Office of Planning and Sustainable Development; Palehua Townhouse Association; Island Insurance Companies; PACE Loan Group; Hawaii Insurers Council; Community Associations Institute, Legislative Action Committee, Hawaii Chapter; Parkland Gardens AOAO; Hawai'i Association of REALTORS; Holomua Collaborative; Hawaii First Realty LLC; C-PACE Alliance, Inc.; Nuveen Green Capital; Hawaii Solar Energy Association; CastleGreen Finance, LLC; AOAO at Pat's at Punalu'u; Hawai'i Energy; aio; Hawai'i Gas; Hawaii Community Foundation; HPM Building Supply; HVCA; Mana Up; Tori Richard, Ltd.; Ulupono Initiative; Contessa Condominium; Petros PACE Finance, LLC; Heritage House Condominium; and seven individuals. Your Committee received testimony in opposition to this measure from two individuals. Your Committee received comments on this

measure from the Department of Budget and Fiscal Services of the City and County of Honolulu; Hawaii Bankers Association; Hawaii Credit Union League; and Kokua Council.

Your Committee finds that more than two hundred eighty-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 more attractive terms for condominiums.

Your Committee has amended this measure by:

- (1) Amending the parameter for whether a condominium property regime is included within the definition of "commercial property" to be based on whether the condominium property regime has six or more units, rather than the height of the building;
- (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 S.B. No. 2727, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2727, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

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

MARIM. NAKASHIMA, Chair

State of Hawaii

House of Representatives The Thirty-second Legislature HSCR 1199-24

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB2727 SD2	CPC, FIN	Date	03-12-	24
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)				
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2. SAYAMA, Jackson D. (VC)		311	**************************************	######################################
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3. AMATO, Terez				
4. BELATTI, Della Au		e de la		ka pri principa
7. DEDATT, Della Au		222220		
5. HASHEM, Mark J.	1 - SECTION - 1156 - 1556 - 1566 - 15			
			Part Training	
6. HUSSEY-BURDICK, Natalia				
7. GATES, Cedric Asuega		\$25.500kin sirininninga \$0.111\$2\$2.		
	Programme Programme			
8. LOWEN, Nicole E.			44.15.52.22°	. Fusticipumsemages
9. ONISHI, Richard H.K.			Part Train Control Con	
J. Ordin, Kenaru II.K.				
10. TAM, Adrian K.				<u> </u>
11. PIERICK, Elijah				· · · · · · · · · · · · · · · · · · ·
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TOTAL (11)	8			3
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				