STAND. COM. REP. NO. **(8)**5-24

Honolulu, Hawaii

APR 0 5 , 2024

RE: S.B. No. 2727

S.D. 2 H.D. 2

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 2727, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to make condominiums eligible for commercial property assessed clean energy and resiliency financing, commonly known as C-PACER financing.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Office of Planning and Sustainable Development; Hawaii Insurers Council; Hawaii Solar Energy Association; Hawaii Laborers & Employers Cooperation and Education Trust Fund; Palehua Townhouse Association; Ulupono Initiative; Hawaii First Realty LLC; C-PACE Alliance, Inc.; CastleGreen Finance, LLC; Nuveen Green Capital; Association of Apartment Owners at Pat's at Punalu'u; Hawai'i Energy; Island Insurance Companies; Aina Nalu Homeowner Association; Laborers International Union of North America - Local 368; Plumbers and Fitters UA Local 675; Holomua Collaborative; aio; Hawai'i Gas; Hawai'i Community Foundation; HPM Building Supply; Hawaii Venture Capital Association; Mana Up; Tori Richard; Parkland Gardens Association of Apartment Owners Board of Directors; Board of Directors of Heritage House Condominium;

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Hawai'i Association of REALTORS; Angel's Site Management Solutions; and nine individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Hawaii Green Infrastructure Authority; Hawaii State Energy Office; Department of Budget and Fiscal Services of the City and County of Honolulu; Petros PACE Finance, LLC; Hawaii Bankers Association; and Kokua Council.

Your Committee has amended this measure by:

- Clarifying that a "property owner" or "owner" means an owner of commercial property and in the case of a condominium, the condominium association and not individual residential condominium unit owners and that individual residential condominium unit owners are ineligible for C-PACER financing;
- (2) Specifying a process for condominium associations to provide certain financing documents before entering into a commercial property assessed financing assessment contract;
- (3) Clarifying that commercial property assessed financing non-ad valorem special tax assessments are imposed on the project as an assessment against the condominium association; and
- 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2727, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2727, S.D. 2, H.D. 2.

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Respectfully submitted on behalf of the members of the Committee on Finance,

KYLE T. YAMASHITA, Chair

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## **Record of Votes of the Committee on Finance**

	tee Referral:	Date	e:	
SB2727, SD2, HDI CPC	FIN	4	3/2024	
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)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)	V			
2. KITAGAWA, Lisa (VC)	V			
3. AIU, Micah P.K.				
4. CHUN, Cory M.				
5. COCHRAN, Elle		<b>V</b>		
6. GARRETT, Andrew Takuya				
7. KAHALOA, Kirstin				
8. KILA, Darius K.			E. OC. SANDE SHIPE	
9. KOBAYASHI, Bertrand				
10. LAMOSAO, Rachele F.			Province (A)	Transcon a result in internal consess upon
11. MORIKAWA, Dee				
12. NISHIMOTO, Scott Y.	V			
13. POEPOE, Mahina				
14. TAKENOUCHI, Jenna			antenantining properties	
15. ALCOS III, David				
16. WARD, Gene				
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			-	
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	-			
TOTAL (16)	13	11/12	D	2
The recommendation is: Adopted	□ Not Adopte	ed .		
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				