

STAND. COM. REP. NO.

425

Honolulu, Hawaii

, 2025

FEB 11

RE: H.B. No. 106

H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 106 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to clarify the process for unit owners and tenants to dispute assessments levied by condominium associations and ensure that there is due process when fines are imposed on individuals subject to condominium association enforcement actions.

Your Committee received testimony in support of this measure from the Hawaii Legislative Action Committee of the Community Associations Institute; Hawaii First Realty LLC; Hawaiiana Management Company, Ltd.; and seven individuals. Your Committee received testimony in opposition to this measure from ten individuals.

Your Committee finds that owners, tenants, and other persons who use condominium property are subject to the declarations and bylaws adopted by the condominium association and that those persons must strictly comply with the covenants, conditions, and restrictions set forth in the declaration, bylaws, and house rules. Your Committee further finds that the existing model of self-governance for condominium associations necessitates that

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condominium associations have mechanisms to enforce compliance. However, such mechanisms should also provide persons with notice and an opportunity to be heard. This measure ensures that unit owners and tenants are afforded a fair process to dispute fines levied by a condominium association.

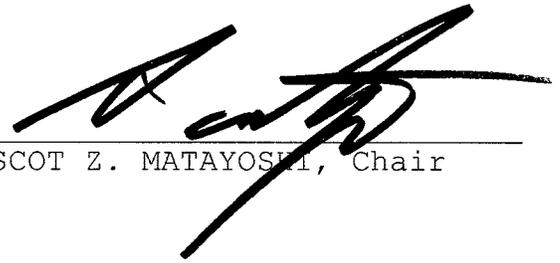
Your Committee has amended this measure by:

- (1) Specifying that the new statutory provision, which clarifies the process for unit owners and tenants to dispute fines imposed by condominium associations, controls over fine-related provisions in an association's declaration, bylaws, house rules, or regulations;
- (2) Specifying that a timely demand for mediation stays a condominium association's efforts to collect a contested assessment for one hundred twenty days, rather than sixty days;
- (3) Specifying that the Small Claims Division of the District Court has jurisdiction over all cases arising from a board of director's decision that is adverse to the unit owner or tenant relating to fines under the new statutory provision;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) 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. 106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 106, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.



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



SCOT Z. MATAYOSHI, Chair



