

STAND. COM. REP. NO.

253

Honolulu, Hawaii

, 2025

FEB 07

RE: H.B. No. 70

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. 70 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUM,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Provide that the defense of good faith compliance is unavailable to any condominium association whose board adopts a budget that omits the required budget summary; and
- (2) Provide that an association has the burden to prove substantial compliance.

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 six individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from eight individuals.

Your Committee finds that the Legislature has recently passed laws to increase transparency and accuracy with respect to

2025-1272 HB70 HD1 HSCR HMSO



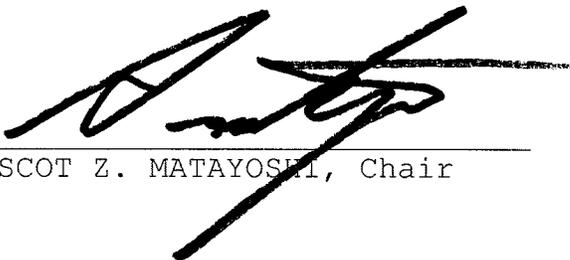
condominium association replacement reserves and reserve studies. Your Committee further finds that additional effort is needed to ensure that condominium associations are complying with these new laws. Accordingly, this measure is intended to increase condominium association compliance with recent disclosure requirements associated with reserve studies and budget summaries.

Your Committee has amended this measure by:

- (1) Specifying that budget summaries must contain all required information without referring the reader to other portions of the budget;
- (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. 70, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 70, 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



