

STAND. COM. REP. NO.

1504

Honolulu, Hawaii

MAR 21, 2025

RE: S.B. No. 146
S.D. 1
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 S.B. No. 146, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to amend the conditions and
procedures for resolving various condominium-related disputes.

Your Committee received testimony in support of this measure
from the Hawaii Legislative Action Committee of the Community
Associations Institute; Hawaii First Realty; and one individual.
Your Committee received testimony in opposition to this measure
from AOA Lakeview Sands; Nakamoto Realty, LLC; and numerous
individuals. Your Committee received comments on this measure
from the Real Estate Commission and one individual.

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
condominium associations have mechanisms to enforce compliance.

2025-2751 SB146 HD1 HSCR HMSO-1



Furthermore, it is in the interests of unit owners and associations to resolve disputes in an efficient and equitable manner. This measure amends the conditions and procedures for resolving various condominium-related disputes.

Your Committee has amended this measure by:


- (1) Clarifying that all costs and expenses, including attorneys' fees, incurred in connection with certain activities are to be promptly paid on demand, but may still be disputed;
- (2) Deleting all language relating to early neutral evaluation;
- (3) Specifying that the form of mediation that is mandatory is evaluative mediation;
- (4) Inserting amounts for the maximum support provided by the Condominium Education Trust Fund for evaluative mediation and binding arbitration to be \$3,500 and \$6,000, respectively;
- (5) Amending the required qualifications for mediators and arbitrators by:
 - (A) Specifying that the required qualification for mediators is three years of mediation experience, rather than five years of experience as a licensed attorney and an unspecified number of years of professional experience related to condominiums; and
 - (B) Specifying, for arbitrators, that the required minimum years of experience related to condominiums be at least two years;
- (6) Clarifying that a mediator's oral or written statement of evaluation shall only be available if the parties fail to settle during evaluative mediation;
- (7) Repealing the authority for the Real Estate Commission to require disputes to be submitted to nonbinding alternative dispute resolution;



- (8) Clarifying that requests for evaluative mediation must occur before the initiation of an action concerning the assessment; and
- (9) 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. 146, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 146, S.D. 1, 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

State of Hawaii
House of Representatives
The Thirty-third Legislature

HSR 1504

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB146, SD1	Committee Referral: CPC, JHA	Date: 3/18/25		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. MATAYOSHI, Scot Z. (C)	✓			
2. CHUN, Cory M. (VC)	✓			
3. ILAGAN, Greggor	✓			
4. ICHiyAMA, Linda	✓			
5. IWAMOTO, Kim Coco		✓		
6. KONG, Sam Satoru	✓			
7. LOWEN, Nicole E.	✓			
8. MARTEN, Lisa	✓			
9. TAM, Adrian K.				✓
10. PIERICK, Elijah				✓
TOTAL (10)	7	1		2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; margin-top: -10px;"> committee acronym(s) </div>				
Vice Chair's or designee's signature: _____ <div style="text-align: center; margin-top: -10px;"> </div>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				