

Honolulu, Hawaii

MAR 05 , 2026

RE: H.B. No. 1824
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1824 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to allow associations with fewer than twenty units to waive the requirement for a third-party reserve study review upon a majority vote of unit owners; provided that annual reserve disclosures are maintained and the waiver decision is clearly documented and available to unit owners.

Your Committee received testimony in support of this measure from two individuals. Your Committee received testimony in opposition to this measure from the Community Associations Institute Hawaii Legislative Action Committee and Associa. Your Committee received comments on this measure from the Real Estate Commission.

Your Committee finds that condominium reserve requirements are intended to promote financial transparency, long-term planning, and protection against unexpected special assessments. While third-party reserve study reviews can benefit larger and more complex associations, the cost of mandatory reviews may impose a disproportionate burden on very small associations with limited shared infrastructure, diverting resources from maintenance and



repair. This measure is intended to provide narrowly tailored flexibility for associations with fewer than twenty units by authorizing these associations to waive the triennial third-party review under certain conditions.

Your Committee has amended this measure by:

- (1) Specifying that each vote to waive the requirement for a third-party reserve study review applies for a single three-year period;
- (2) Specifying that a condominium association cannot waive the reserve study review requirement for consecutive three-year periods;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) 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. 1824, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1824, H.D. 1, and be placed on the calendar for Third Reading.

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

for 
SCOT Z. MATAYOSHI, Chair



