

Honolulu, Hawaii

APR 08 , 2026

RE: S.B. No. 2765  
S.D. 1  
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 Judiciary & Hawaiian Affairs, to which was referred S.B. No. 2765, S.D. 1, 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 clarify that condominium associations that have obtained title to a unit through foreclosure may retain rental income received prior to the appointment of a commissioner in a subsequent foreclosure, but the association may be required by a court to remit rental income received after the appointment of a commissioner to be held until an order of distribution is entered by the court.

Your Committee received testimony in support of this measure from the Community Associations Institute; Honolulu Tower; AOA Lakeview Sands; Palehua Townhouses Association; Law Offices of Mark K. McKellar, LLC; and numerous individuals. Your Committee received testimony in opposition to this measure from the Mortgage Bankers Association of Hawaii; Hawaii Bankers Association; and one individual.


Your Committee finds that increasing delinquencies and lengthy delays in the judicial foreclosure process exacerbate the financial strain on condominium associations and homeowners who



pay their assessments on time. Your Committee further finds that associations are often treated differently from other entities that acquire title through foreclosure, facing unique administrative and financial burdens when accounting for rental income received from units they have legally acquired. This measure clarifies the authority of condominium associations to retain rental income from foreclosed units.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2765, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary &  
Hawaiian Affairs,



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DAVID A. TARNAS, Chair



**Record of Votes of the Committee on Judiciary & Hawaiian Affairs**

<b>Bill/Resolution No.:</b> <i>SB 2765 (DI HDI)</i>	<b>Committee Referral:</b> <i>CPC, JHA</i>	<b>Date:</b> <i>4/1/2026</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input checked="" type="checkbox"/> Pass, unamended (as is) <input 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)				
JHA Members	Ayes	Ayes (WR)	Nays	Excused
1. TARNAS, David A. (C)	✓			
2. POEPOE, Mahina (VC)	✓			
3. BELATTI, Della Au	✓			
4. COCHRAN, Elle		✓		
5. HASHEM, Mark J.				✓
6. KAHALOA, Kirstin	✓			
7. SAYAMA, Jackson D.				✓
8. TAKAYAMA, Gregg	✓			
9. GARCIA, Diamond		✓		
10. SHIMIZU, Garner M.			✓	
<b>TOTAL (10)</b>	<i>5</i>	<i>2</i>	<i>1</i>	<i>2</i>
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
<b>Vice Chair's or designee's signature:</b> _____				
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