

Honolulu, Hawaii

March 24, 2006

RE: S.B. No. 2545
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2545, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this bill is to allow condominium disputes over the interpretation, application, or enforcement of the condominium law or the association's declaration, bylaws, or house rules to be resolved in an administrative hearing. Specifically, this bill:

- (1) Moves the pilot program for condominium management dispute resolution (Dispute Resolution Program) from the condominium law in Chapter 514A, Hawaii Revised Statutes (HRS), into Chapter 514B, HRS, the recodified condominium law; and
- (2) Provides that the Dispute Resolution Program will be in effect for two years;

The Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium & Cooperative Owners, and several concerned individuals supported this bill. The Office of Administrative Hearings of the Department of Commerce and Consumer Affairs commented on this bill.



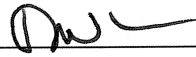
Your Committee finds that the administrative hearing offered by this bill is available to persons who have participated unsuccessfully in dispute mediation. It therefore excludes more complex disputes involving matters such as actions to collect assessments and personal injury claims. Your Committee also notes that the Dispute Resolution Program in this bill will be available only to condominium property regimes that are subject to Chapter 514B, HRS, either because they were created after its July 1, 2006, effective date, or because they have elected to be governed by the chapter.

Your Committee has amended this bill by:

- (1) Changing its sunset date to June 30, 2009; and
- (2) Making technical, nonsubstantive amendments for clarity 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. 2545, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2545, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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



ROBERT N. HERKES, Chair



