STAND. COM. REP. NO. 1380

Honolulu, Hawaii MAR 3 0 2007

RE: S.C.R. No. 160

S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

## Madam:

Your Committee on Commerce, Consumer Protection, and Affordable Housing, to which was referred S.C.R. No. 160 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING A SUNRISE REVIEW OF THE REGULATION OF ENTITIES GOVERNED BY CHAPTER 514B, HAWAII REVISED STATUTES, AND THE ENFORCEMENT OF POLICIES RELATING TO CONDOMINIUMS IN THE STATE THROUGH THE CREATION OF A CONDOMINIUM COMMISSION,"

begs leave to report as follows:

The purpose of this measure is to request a sunrise review of the regulation of entities governed by chapter 514B, Hawaii Revised Statutes (HRS), and the enforcement of policies relating to condominiums in the State through the creation of a condominium commission.

Your Committee received testimony in support of this measure from the Hawaii Council of Association of Apartment Owners, the Hawaii Independent Condominium and Co-op Owners, and six individuals. The Real Estate Commission provided comments on this measure.

Your Committee finds that condominium owners face many important issues and that, with the changes made to the condominium law over the last few years, clarity needs to be provided and there must be a method to ensure that the current condominium law is being executed properly.

Your Committee also finds that section 1 of S.B. No. 1837, introduced during the 2007 Regular Session, proposed the creation of a condominium commission to oversee the implementation and regulation of chapter 514B, HRS, and to develop, implement, and enforce policies relating to condominiums in the State. This measure, in compliance with section 26H-6, HRS, requests the Auditor to conduct a sunrise review on the regulation of entities governed by chapter 514B, HRS, as well as the creation of a condominium commission, as proposed in section 1 of S.B. No. 1837.

Your Committee notes that a concern was raised as to the duplicative costs that may arise if a condominium commission is created, as there is already an existing Real Estate Commission that is tasked with addressing condominium issues. Your Committee notes that although this concern may be valid, it may be premature as this measure merely requests the Auditor to conduct a sunrise review.

Your Committee has amended the title and text of this measure, on the recommendation of the Real Estate Commission, to include chapter 514A, Hawaii Revised Statutes, in the sunrise review to be conducted by the Auditor.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 160, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 160, S.D. 1.

Respectfully submitted on behalf of the members of the Committee on Commerce, Consumer Protection, and Affordable Housing,

BRIAN T. TANIGUCHI, Chair

## The Senate Twenty-Fourth Legislature State of Hawaii

## Record of Votes Committee on Commerce, Consumer Protection and Affordable Housing CPH

Bill / Resolution No.:*  SCR 160	CPH, WAM		Da	Date: 3-29-07	
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)		<u> </u>			
IGE, David Y. (VC)					
ESPERO, Will					
IHARA, Jr., Les					
SAKAMOTO, Norman		/			
SLOM, Sam					
TOTAL		4	0	0	2
Recommendation:  Adopted  Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency					

\*Only one measure per Record of Votes