

STAND. COM. REP. NO.

349

Honolulu, Hawaii

FEB 15 2007

RE: S.B. No. 1837
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.B. No. 1837 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to create a condominium
commission to ensure a smooth transition into the provisions of
chapter 514B, Hawaii Revised Statutes (HRS), and generally
implement and enforce policies relating to condominiums in the
State.

This measure also clarifies various provisions of the
condominium law.

Testimony in support of this measure was submitted by the
Hawaii Council of Associations of Apartment Owners, Hawaii
Independent Condominium & Cooperative Owners, Friends of Waikiki
Banyan, and nine individuals. The Real Estate Commission, the
Hawaii Chapter of the Community Associations Institute, and one
individual submitted testimony in opposition to this measure.

Your Committee finds that the number of people living in
condominiums in Hawaii has grown tremendously over the years and
this measure seeks to address important issues facing condominium
owners and to provide clarity in the current law. Specifically,
this measure seeks to address these issues by creating a
condominium commission, by giving the board of directors of a
condominium association the authority to change or cancel

2007-1739 SSCR SMA.doc



management agreements, by clarifying who is considered a "unit-owner" for purposes of being a board member, by clarifying that payment for assisted living services are only charged against owners who actually receive those services, and by re-enforcing the rights of owners to participate in board meetings.

Your Committee has amended this measure by:

- (1) Removing the creation of the condominium commission, as this requires a sunrise analysis by the State Auditor;
- (2) Removing language requiring that changes made with regard to the use of condominium property regimes under section 541B, HRS, also apply to condominiums under chapter 514A, HRS;
- (3) Removing language stating that limiting member participation in board meetings based upon concerns that it will extend the time of the meeting does not constitute "good cause" for limiting member participation;
- (4) Removing the appropriation to the condominium commission; and
- (5) Changing the effective date to July 1, 2050, to encourage further discussion.

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 is in accord with the intent and purpose of S.B. No. 1837, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1837, S.D. 1, and be referred to the Committee on Ways and Means.



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



BRIAN T. TANIGUCHI, Chair



