

STAND. COM. REP. NO.

738

Honolulu, Hawaii

MAR 02 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 Ways and Means, to which was referred S.B. No. 1837, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to establish certain requirements concerning condominium property management agreements.

Comments in support of this measure were submitted by the Hawaii Independent Condominium & Cooperative Owners. Marriott International, Inc. submitted comments opposing section 3 of the measure.

Your Committee finds that property management companies have an advantage over condominium associations because the property management companies dictate when property management agreements can be terminated. Property management companies require provisions in bylaws that remove authority to terminate the agreement from the board and require a qualified majority of unit owners to do so. Based on practical experience and the lack of statutory regulation, it is very difficult to terminate a property management agreement. In addition, your Committee finds that there is confusion about the extent of the definition of "unit owner" in terms of serving on the board, who can be charged for assisted living services, and specific rights of owners to participate in board meetings.

SB1837 SD1 SSCR LRB 07-2940.doc



This measure resolves those issues by adding a statute governing property management agreements that requires the agreements to be in writing and the board's right to terminate the agreement. The bill clarifies the definition of unit owner by specifically excluding a time share owner, provides that only owners who actually receive assisted living services can be charged for the services, and reemphasizes an owner's right regarding board meetings.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1837, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

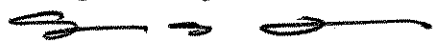


ROSALYN H. BAKER, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1837 SD1	CPH, WAM	2-22-07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input checked="" type="checkbox"/> Pass, unamended 2312	<input type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.	/			
KIM, Donna Mercado				/
MENOR, Ron	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred				/
WHALEN, Paul	/			
TOTAL	9			2
Recommendation:				
<input checked="" type="checkbox"/> Adopted		<input type="checkbox"/> 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