



February 14, 2008

HOUSE COMMITTEE ON HUMAN SERVICES AND HOUSING
REGARDING SENATE BILL 2492

Hearing Date : THURSDAY, February 14, 2008
Time : 9: 25 a.m.
Place : Conference Room 329

Chair Shimabukuro and Members of the Committee:

My name is John Morris and I am testifying on behalf of the Hawaii Legislative Action Committee of the Community Associations Institute ("CAI") in support of House Bill 2492. CAI Hawaii is the local chapter of a national organization dedicated to improving the management and operation of community associations nationwide.

House Bill 2492 tries to correct a lack of disclosure problem that commonly affects the sale of properties in projects that are not condominiums or residential cooperatives but are nonetheless subject to restrictive covenants or controlled by a homeowner association. More specifically, the parties to the purchase and sale of such properties frequently overlook the fact that the purchaser is subject to restrictions on his or her ability to use the property being purchased. Omission of that information as part of the purchase often leads to disputes and misunderstandings when the purchaser subsequently discovers that he or she must comply with those restrictions.

House Bill 2492 amends the law to recognize all of those potential problems and require that they be disclosed as part of the purchase and sale of the property. This section even recognizes that associations often have unrecorded rules and guidelines that have been adopted by the association pursuant to the authority given and recorded documents. Since it is important to ensure that someone buying property is fully aware of the restrictions imposed on the property, CAI supports House Bill 2492.

Please contact me at 523-0702 if you have any questions. Thank you for this opportunity to testify.

Very truly yours,

John A. Morris
Hawaii Legislative Action Committee
of the Community Associations Institute