

STAND. COM. REP. NO.

695

Honolulu, Hawaii

March 5, 2009

RE: H.B. No. 876

H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 876, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this bill is to improve condominium operations by:

- (1) Amending to an unspecified amount, the cap on special assessments that condominium associations may impose on foreclosure sale purchasers of a delinquent unit with unpaid common expense assessments; and
- (2) Expanding limitations on association liability for actions taken with regard to certain unit owners requiring services for independent living, for the purpose of minimizing harm to the unit owner and others.

Several concerned individuals testified in support of this bill. The Disability and Communication Access Board, Hawaii Bankers Association, Hawaii Financial Services Association, and Hawaii Independent Condominium and Cooperative Owners provided comments.

This bill consists of two parts that address discrete issues. Your Committee notes that the provisions of this bill relating to

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special assessments are similarly contained in H.B. No. 1639, which may become the eventual vehicle for that particular issue.

With regard to the provisions of this bill relating to association liability for elderly or disabled unit owners or residents, there is a concern that the current law, even as amended by this bill, does not adequately provide for how a functional assessment of the condition of such unit owners or residents, along with recommendations for services to assist these persons, would actually be requested by an association. This issue warrants further consideration as this bill moves forward.

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 H.B. No. 876, H.D. 1, and recommends that it pass Third Reading.

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



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ROBERT N. HERKES, Chair



