

STAND. COM. REP. NO.

312

Honolulu, Hawaii

Feb 18, 2009

RE: H.B. No. 956
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. 956 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this bill is to improve the Real Estate Commission's (Commission) administration of condominium education programs by merging the Condominium Management Education Fund established under section 514A-131, Hawaii Revised Statutes (HRS), with the Condominium Education Trust Fund established under section 514B-71, HRS.

The Commission and Hawaii Legislative Action Committee of the Community Associations Institute testified in support of this bill. The Hawaii Independent Condominium and Cooperative Owners opposed this measure. The Hawaii Council of Associations of Apartment Owners provided comments.

Act 164, Session Laws of Hawaii (SLH) 2004, and Act 93, SLH 2005, updated Hawaii's condominium laws and produced two separate statutory chapters governing condominiums (Chapters 514A and 514B, HRS). This legislation also resulted in the Commission's administration of two funds, one in Chapter 514A, HRS, and one in Chapter 514B, HRS, with the identical purposes of financing or promoting:

HB956 HD1 HSCR CPC HMS 2009-2004



- (1) Education and research in the fields of condominium management, condominium project registration, and real estate;
- (2) Improvements in the administration of associations; and
- (3) Expeditious and inexpensive procedures for resolving association disputes.

Management of both funds is administratively burdensome, requiring the Commission to separately budget, plan, and account for the receipts and expenses of each fund. This bill attempts to eliminate any confusion and unnecessary burdens stemming from the existence of both funds.

It is the intent of your Committee that the moneys transferred to the Condominium Education Trust Fund under this measure be applied to the original purposes for which they were collected.

Your Committee has amended this bill by changing the effective date to January 1, 2020, to encourage further discussion. Technical, nonsubstantive amendments were also made for clarity and style.

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. 956, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 956, H.D. 1, and be referred to the Committee on Finance.

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



ROBERT N. HERKES, Chair



