

STAND. COM. REP. NO.

406

Honolulu, Hawaii

FEB 20 2009

RE: S.B. No. 572
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committees on Human Services and Commerce and Consumer Protection, to which was referred S.B. No. 572 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

beg leave to report as follows:

The purpose of this measure is to assist condominium associations by increasing the amount of unpaid common assessments that an association may collect against the subsequent owner of a foreclosed property and allowing an association to offer assistance to a handicapped or disabled tenant who is having difficulty living independently.

Your Committees received testimony in support of this measure from Hawaii Council of Associations of Apartment Owners and Hawaii Independent Condominium & Cooperative Owners. Testimony in opposition to this measure was received from Hawaii Bankers Association. Testimony with comments was received from Hawaii Financial Services Association and the Disability and Communications Access Board. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that mortgage foreclosures impact condominium and apartment owners associations when the owner of a foreclosed property fails to pay association maintenance fees. The association continues to be responsible for the upkeep and maintenance of the common areas and provision of common benefits such as water, electricity, and maintenance staff of the property regardless of whether it receives all of the fees that are due to



it. Your Committees find that the maximum amount that an association can assess under the current law is insufficient to cover the actual maintenance costs incurred.

Your Committees further find that associations and their members should be supported in their good faith efforts to assist fellow residents who have difficulty living independently. The current law protects associations from liability for good faith efforts to assist elderly residents who may be in need of assessment or social services in order to maintain independent living and avoid harm to self or others. This measure allows associations to offer the same assistance to disabled residents.

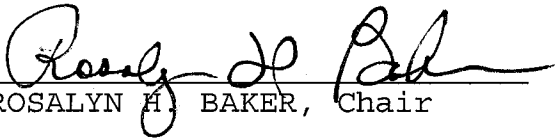
Your Committees have amended this measure by:

- (1) Removing references to "handicapped" persons and adding a definition of "disabled" that conforms with the definition found in the Fair Housing Act;
- (2) Including elderly or disabled non-owner residents in the class of persons who may be assisted by an association and further defining the circumstances under which such assistance may be provided;
- (3) Allowing functional assessments and recommendations for elderly or disabled residents to be provided by appropriate state or county agencies upon request and as appropriate; and
- (4) Making nonsubstantive, technical changes for the purpose of clarity and accuracy of language.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 572, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 572, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.



Respectfully submitted on
behalf of the members of the
Committees on Human Services
and Commerce and Consumer
Protection,



ROSALYN H. BAKER, Chair


SUZANNE CHUN OAKLAND, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 572	HMS / CPN, J60	2-17-09		
<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 type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
GREEN, M.D., Josh	✓			
HEMMINGS, Fred	✓			
TOTAL	4	0	0	0
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes

