

LINDA LINGLE
GOVERNOR
JAMES R. AIONA, JR.
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: (808) 586-2850
Fax Number: (808) 586-2856
www.hawaii.gov/dcca

LAWRENCE M. REIFURTH
DIRECTOR
RONALD BOYER
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION
AND COMMERCE

TWENTY-FIFTH LEGISLATURE
Regular Session of 2009

Monday, February 9, 2009
2:15 p.m.

**TESTIMONY ON HOUSE BILL NO. 1442 – RELATING TO PLANNED COMMUNITY
ASSOCIATIONS.**

WRITTEN ONLY

TO THE HONORABLE ROBERT N. HERKES, CHAIR, GLENN WAKAI, VICE CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Lawrence Reifurth, Director of Commerce and Consumer Affairs
("Department"). The Department appreciates the opportunity to provide testimony on
House Bill No. 1442, which requires the Director to submit a report on planned
community associations governed by chapter 421J, Hawaii Revised Statutes ("HRS").
Specifically, the bill requires the report to:

- (1) Identify all planned community associations in the State by name and
location;
- (2) Describe each association's size in terms of owners and units; and
- (3) List each association's formal procedures regarding:

- (A) Providing access to the association's documents; and
- (B) The resolution of disputes.

The Department takes no position on the merits of the bill's goals. However, we would like to raise issues that would make implementation of the bill challenging.

Chapter 421J, HRS, which governs planned community associations, is essentially a self-executing statute. The chapter does not require any action by the Department or any other agency. Nor does the chapter require planned community associations to make any filings with the Department or any other agency. The chapter does not provide the Department or any other agency with regulatory oversight over planned community associations.

As such, the Department has no idea how many planned community associations exists, no authority to require the information, and no resources to unilaterally undertake the information gathering. We would not even know where to send letters requesting the information that H.B. No. 1442 requires to be contained in the report.

Consequently, any report that the Department submits would represent an incomplete picture and would divert resources away from the Department's core mission. Consequently, we do not believe it would be prudent to pursue enactment of H.B. No. 1442.

Thank you for the opportunity to submit testimony.