

Honolulu, Hawaii
March 19, 2010

RE: S.B. No. 2164
S.D. 1
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 2164, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this bill is to provide additional protections for those who purchase condominiums by, among other things, requiring:

- (1) That the developer set aside a percentage of the initial sales price of each residential apartment in a condominium project to be used to fund the project's estimated replacement reserve fund;
- (2) Disclosure of the cost of all capital equipment installed in the project; and
- (3) That notice of amendments to project documents be provided to owners, purchasers, and potential purchasers and that amendments that effect a material change in the project will trigger a purchaser's statutory right of rescission for condominiums created after July 1, 2006.



The Real Estate Commission (Commission) provided comments.

Your Committee has amended this bill by:

- (1) Deleting provisions that require that notice of amendments to project documents be provided to purchasers by means of amendments to the developer's public report submitted to the Commission; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2164, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2164, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Housing,



RIDA CABANILLA, Chair



