

STAND. COM. REP. NO.

3093

Honolulu, Hawaii

MAR 30 2012

RE: H.B. No. 1746
H.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 1746, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose and intent of this measure is to allow condominium boards of directors to authorize the installation of separate utility meters for each unit; provided that the association pays the cost of installing the meters.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Wailana at Waikiki Board of Directors, Harbor Square Association of Apartment Owners, Anderson Lahne & Fujisaki LLP, and four individuals.

Your Committee finds that many older condominium projects in Hawaii were constructed in such a way that a single meter measures the consumption of utilities for the entire condominium. Utility costs in these condominium projects are not measured by actual usage of owners or occupants, but are paid for as a common expense. Your Committee further finds that allowing the board of directors of a condominium to require separate metering in each unit will make individual residents financially responsible for their own energy usage, likely resulting in energy conservation.

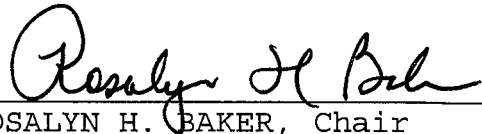
Your Committee has heard the concerns that the permissive language contained in this measure may be disregarded by



associations and their boards. Your Committee has also heard the concerns that mandating separate utility metering may not be appropriate, due to cost variances associated with retrofitting different condominium buildings. Permissive language that allows a condominium board to authorize the installation of separate utility meters for each unit is more appropriate at this time, as it gives a board the ability to make decisions based on the individual needs of each building. However, your Committee notes that the issue of separate utility metering in condominium projects may need to be revisited later, once condominium boards have had an opportunity to determine what is best for their respective association.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1746, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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



ROSALYN H. BAKER, Chair



