

STAND. COM. REP. NO.

1123

Honolulu, Hawaii

March 22, 2013

RE: S.B. No. 505
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 505, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to support and encourage the use of mediation to settle condominium-related disputes by:

- (1) Adding "support for mediation of condominium related disputes" as an educational purpose to be funded by the Condominium Education Trust Fund;
- (2) Establishing an additional annual Condominium Education Trust Fund fee of \$1 per condominium unit to be dedicated to support the mediation of condominium related disputes, and paid beginning with the July 1, 2015, biennium registration;
- (3) Setting the additional Condominium Education Trust Fund fee at a total of \$3 per unit until the Real Estate Commission adopts rules pursuant to Chapter 91, Hawaii Revised Statutes; and
- (4) Requiring the Real Estate Commission to make adjustments to the Condominium Education Trust Fund to ensure that adequate funds are available for mediation of

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condominium related disputes and enable the Commission to fully accommodate requests for mediation received prior to July 1, 2015.

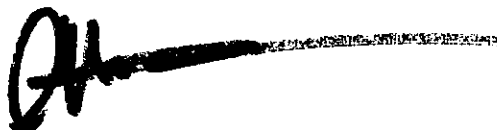
The Community Associations Institute Hawaii Chapter, Mediation Center of the Pacific, and an individual testified in support of this measure. The Judiciary, Hawaii Real Estate Commission, and an individual provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing the amount of the annual Condominium Education Trust Fund fee to be paid beginning with the July 1, 2015, biennium registration, from \$1.00 to \$1.50;
- (2) Specifying that professionally trained mediators to be used for condominium dispute mediation services include retired judges and individuals who have appropriate professional mediation training; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, 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 S.B. No. 505, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 505, S.D. 2, 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,



ANGUS L.K. MCKELVEY, Chair



