

Honolulu, Hawaii

MAR 01 2013

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

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 505, S.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 promote mediation as a means to resolve condominium related disputes.

More specifically, this measure:

- (1) Adds "support for mediation of condominium related disputes" as an educational purpose to be funded by the condominium education trust fund;
- (2) Establishes an additional annual condominium education trust fund fee of \$1 per condominium unit to be dedicated to supporting mediation of condominium related disputes;
- (3) Sets the condominium education trust fund fee at a total of \$3 per unit until the Real Estate Commission adopts rules; and
- (4) Requires the Real Estate Commission to make adjustments to the condominium education trust fund to ensure that adequate funds are available for mediation of condominium related disputes and that requests for



mediation received prior to July 1, 2015, are fully accommodated.

Your Committee received written comments in support of this measure from the Community Association Institute.

Your Committee received written comments on this measure from the Hawaii Real Estate Commission.

Your Committee finds that mediation is an informal, inexpensive, and confidential process for resolving disputes quickly and would be particularly advantageous in a condominium setting because of the potential to preserve or restore harmony within a condominium community. This measure would provide financial support for mediation of condominium related disputes.

Your Committee has amended this measure by:

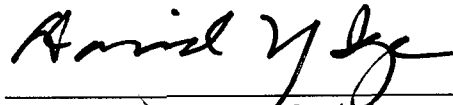
- (1) Clarifying that the condominium education trust fund fee that totals \$3 per unit is the additional condominium education trust fund fee;
- (2) Requiring, on June 30 of every odd-numbered year, any unexpended moneys initially dedicated to supporting mediation to be used for other educational purposes;
- (3) Requiring the Real Estate Commission to continue to budget and use funds allocated for other educational purposes, if necessary, for mediation of condominium disputes utilizing professionally trained mediators between the effective date of the Act and July 1, 2015;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (5) Making technical nonsubstantive amendments for the purposes of style and clarity.

Your Committee notes the discrepancy in the amounts of the additional condominium education trust fund fee and expresses its intent that the Real Estate Commission make no less than \$3 of the total annual condominium education trust fund fee it has established by rule, and assessed and collected per affected condominium unit, available for the purpose of supporting mediation of condominium related disputes.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 505, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 505, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SBS05, SD1	Committee Referral: CPN, WAM	Date: 2-22-13		
<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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.				✓
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam			✓	
TOTAL	10	0	1	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:right; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes