

Honolulu, Hawaii
February 27, 2014

RE: H.B. No. 2045
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 2045, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PLANNED COMMUNITY ASSOCIATIONS,"

begs leave to report as follows:

The purpose of this measure is to help reduce disputes and litigation among planned community associations, escrow companies, prior owners and new owners when unpaid association dues are not collected by associations through enforcement of a lien on the property at the time of sale or other conveyance of the property by:

- (1) Holding the grantor and grantee of a voluntarily transferred unit or lot jointly and severally liable for all delinquent assessments existing at the time of the grant or conveyance;
- (2) Requiring the board of the association to provide a statement upon the request of the grantor or grantee setting forth the amount of the unpaid assessments against the grantor; and
- (3) Limiting the liability of the grantee to the amount set forth in the statement provided by the association.



The Hawaii Chapter of the Community Associations Institute testified in support of this measure.

Your Committee recognizes that there may be some ambiguity as to the definition of the word "lot" as used in this measure. Your Committee respectfully encourages further discussion of this concern as this measure proceeds through the legislative process.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2045, H.D. 1, and recommends that it pass Third Reading.

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



KARL RHOADS, Chair



