

Honolulu, Hawaii
February 5, 2014

RE: H.B. No. 2401
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 Housing, to which was referred H.B. No. 2401 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to encourage more transparency in the actions of condominium association boards of directors by:

- (1) Requiring board members and managing agents to disclose conflicts of interest that they may have with bidders of certain contracts;
- (2) Increasing the enforcement powers of the Real Estate Commission; and
- (3) Requiring the Real Estate Commission to make an annual report to the legislature of complaints against condominium boards and the number and type of enforcement actions taken by the Commission.

Numerous concerned individuals supported this bill. The Hawaii Chapter of the Community Associations Institute, Hawaii First, Inc., and a few concerned individuals opposed this bill. The Hawaii Real Estate Commission and several concerned individuals provided comments.



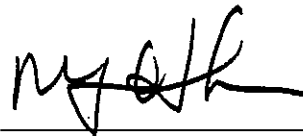
Your Committee has amended this measure to remedy potential conflicts with existing statutory law by:

- (1) Deleting the conflict of interest disclosure requirements;
- (2) Deleting the requirement of an annual report to the legislature;
- (3) Changing its effective date to July 1, 2025, to facilitate discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests that should your Committees on Consumer Protection & Commerce and Judiciary choose to consider this measure, the Committees further examine the issues of increased enforcement and transparency.

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 H.B. No. 2401, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2401, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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



MARK J. HASHEM, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSCR 170-14

Record of Votes of the Committee on Housing

Bill/Resolution No.: HB 2401	Committee Referral: HSG, CPC JUD	Date: 2/3/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. HASHEM, Mark J. (C)	/			
2. WOODSON, Justin H. (VC)	/			
3. BELATTI, Della Au				/
4. CARROLL, Mele	/			
5. CREAGAN, Richard	/			
6. JORDAN, Jo				/
7. KOBAYASHI, Bertrand	/			
8. MORIKAWA, Dee	/			
9. OSHIRO, Marcus R.				
10. MATSUMOTO, Lauren Kealohilani	/			
TOTAL (10)	7	1	0	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; margin-left: 100px;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____ 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				