

Honolulu, Hawaii

APR 04 2014

RE: H.B. No. 2401
H.D. 2
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred
H.B. No. 2401, H.D. 2, 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:

- (1) Add a new section to chapter 514B, Hawaii Revised Statutes, to:
 - (A) Consolidate the documents, records, and information that must be made available to any unit owner; and
 - (B) Specify that these documents, records, and information shall be provided to the unit owner no later than thirty days after receipt of a unit owner's written request; and
- (2) Make conforming amendments to include the new section in chapter 514B, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Real Estate Commission, and nineteen individuals. Your Committee received testimony in opposition to this measure from one individual.



Your Committee finds that this measure serves a significant consumer protection function by clearly identifying all records available to unit owners and their timely disclosure and allowing unit owners access to information and the opportunity to participate in the self-governance process.

Your Committee has amended this measure by:

- (1) Applying the new section under chapter 514B, Hawaii Revised Statutes, relating to any documents, records, and information that are required to be made available to any unit owner to also be made available to any unit owner's authorized agent;
- (2) Deleting the provision that requires the association's most current financial statement be provided to any interested unit owner at no cost or on twenty-four-hour loan, at a convenient location designated by the board to avoid duplication and potential conflict with another similar provision under that same section;
- (3) Inserting language that clarifies that nothing in the new section under chapter 514B, Hawaii Revised Statutes, shall be construed to create any new requirements for the release of documents, records, or information; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2401, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2401, H.D. 2, S.D. 2.

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



CLAYTON HEE, Chair



