

STAND. COM. REP. NO.

1239

Honolulu, Hawaii

March 28, 2013

RE: S.B. No. 502
S.D. 1
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. 502, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO REAL ESTATE SELLER
DISCLOSURE,"

begs leave to report as follows:

The purpose of this measure is to require that real property
transactions involving condominium projects, cooperative housing
corporations, and other community associations follow a uniform
standard of document disclosure.

Specifically, this measure:

- (1) Requires sellers of residential real property subject to
recorded declaration to disclose the articles of
incorporation, bylaws, organizational documents, rules,
and documentation of restrictions or conditions on use
of the real property;
- (2) Provides a deadline for the disclosure of the required
documents; and
- (3) Authorizes sellers to disclose documents electronically,
upon the buyer's consent.



The Hawaii Association of Realtors submitted testimony in support of this measure.

Your Committee finds that establishing a uniform standard of document disclosure for sales of real property involving condominiums, cooperative housing corporations, and community associations will benefit buyers, sellers, and realtors by clarifying which documents and information must be disclosed during sales of real property subject to a recorded declaration. Your Committee also finds that authorizing electronic disclosure of documents will increase efficiency in planned community transactions.

Your Committee has amended this measure by making it effective upon approval and applicable to contracts or agreements entered into on or after May 1, 2014.

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. 502, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 502, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



