

Honolulu, Hawaii

March 29, 2016

RE: H.R. No. 104

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.R. No. 104 entitled:

"HOUSE RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY THE FEASIBILITY OF ESTABLISHING A CONDOMINIUM OMBUDSMAN,"

begs leave to report as follows:

The purpose of this measure is to request the Legislative Reference Bureau to study the feasibility of establishing a condominium ombudsman to resolve grievances brought by residents against their condominium associations without resorting to litigation.

The Community Associations Institute, Hui Malama O Hale, Hui Oiaio, and numerous individuals testified in support of this measure. Associa testified in opposition to this measure. The Real Estate Commission, Legislative Reference Bureau, and an individual provided comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting language that requests that the Legislative Reference Bureau study the feasibility of establishing a condominium ombudsman to resolve grievances brought by residents against their condominium associations without resorting to litigation;



- (2) Inserting language that changes the purpose of the resolution to request the Real Estate Commission to study the effectiveness of its existing dispute resolution process and consumer assistance program for condominium owners and associations and the possible expansion of these services to other types of homeowners associations;
- (3) Specifying that the Real Estate Commission is in the best position to evaluate the efficacy of the evaluative mediation dispute resolution program;
- (4) Specifying that the Department of Commerce and Consumer Affairs currently appoints condominium specialists who serve as de facto condominium ombudspersons;
- (5) Specifying the issues that the Real Estate Commission is requested to specifically consider when studying the effectiveness of its existing dispute resolution process and consumer assistance program for condominium owners and associations and the possible expansion of these services to other types of homeowners associations; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 concurs with the intent and purpose of H.R. No. 104, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.R. No. 104, H.D. 1.

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


ANGUS D.K. McKELVEY, Chair



