

Honolulu, Hawaii

March 17, 2016

RE: S.B. No. 2661
S.D. 1
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 S.B. No. 2661, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to amend State laws governing condominium fee disputes by:

- (1) Clarifying the process, including payment obligations, mediation requirements, and triggers for further default, where a condominium owner and association have agreed to a payment plan to cure a default that would otherwise trigger a nonjudicial foreclosure;
- (2) Establishing procedures, including the setting of deadlines and notice requirements, that provide condominium owners with the right to submit disputed fees, charges, and assessments, excluding common expense assessments, to the mediation process prior to their required payment by the owner; and
- (3) Removing provisions allowing a condominium association to deduct and apply portions of common expense payments received from an owner to unpaid late fees under certain conditions.

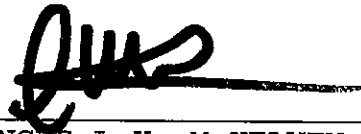


An individual testified in support of this measure. The Community Associations Institute Hawaii Chapter and Palehua Townhouse Association testified in opposition to this measure. An individual provided comments on this measure.

Your Committee has amended this measure by changing its effective date to July 1, 2112, to encourage further discussion.

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. 2661, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2661, S.D. 1, H.D. 1, and be referred to your Committee on Judiciary.

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



ANGUS L.K. MCKELVEY, Chair



