

Honolulu, Hawaii

February 14, 2018

RE: H.B. No. 2118  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2118 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to allow a condominium board to borrow money for the installation of equipment or improvements for the health and safety of residents in the event of a legislative mandate without the consent of owners where at least twenty percent of owners reside outside of the United States.

The Hawaii Council of Associations of Apartment Owners dba Hawaii Council of Community Associations and Associa supported this measure.

Your Committee finds that the installation of full or partial fire sprinklers in high-rise residential buildings can help make the buildings safer for residents but installation poses a substantial financial challenge to associations. Under current statutory provisions, consent from fifty percent of the ownership interest is needed to borrow funds necessary for the installation of fire sprinklers, which can be difficult when many owners live outside the United States and do not use English as a primary language. Your Committee further finds that this measure creates a very narrow exception for buildings with at least twenty percent



ownership living outside the United States to borrow funds to install fire sprinklers without having to meet the fifty percent consent threshold.

Your Committee has amended this measure by:

- (1) Requiring a government mandate, rather than a legislative mandate, for the installation of equipment or improvements for the health and safety of residents and apartment owners in a condominium; and
- (2) Changing its effective date to January 1, 2050, to encourage further discussion.

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. 2118, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2118, H.D. 1, and be referred to your Committee on Finance.

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



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TOM BROWER, Chair



