

Honolulu, Hawaii

FEB 13 2018

RE: S.B. No. 2959

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred S.B. No. 2959 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

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

Your Committee received testimony in support of this measure  
from the Hawaii Council of Associations of Apartment Owners;  
Hawaiian Affairs Caucus, Democratic Party of Hawai'i; Associa; and  
one individual. Your Committee received testimony in opposition  
to this measure from one individual. Your Committee received  
comments on this measure from one individual.

Your Committee finds that in the aftermath of the devastating  
Marco Polo condominium fire, the Honolulu City Council established  
the Residential Fire Safety Advisory Committee to recommend  
changes to City ordinances relating to the fire code and suggest  
ways that high-rise residential buildings could be made safer for  
residents and first responders. One measure under consideration  
is the mandatory installation of fire sprinklers, which may pose a  
significant financial challenge to condominium associations.

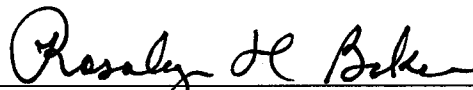


According to testimony received by your Committee, one of the challenges faced by the Residential Fire Safety Advisory Committee was how to assist condominium associations who wished to borrow funds necessary for fire sprinkler retrofitting. Under existing state law, borrowing such funds requires the consent of fifty percent of the ownership interest, which can be a challenging threshold to meet, particularly when many owners of a condominium association reside outside the United States.

This measure therefore establishes a narrowly-tailored exception to this fifty percent requirement by specifying that, in the event of a legislative mandate and where at least twenty percent of condominium owners reside outside of the country, the board of directors of a condominium association shall not be required to obtain the consent of the owners prior to borrowing money to pay for the legislatively-mandated installation of equipment or improvements to the common areas of the condominium for the health and safety of residents.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2959 and recommends that it pass Second Reading and be referred to your Committee on Judiciary.

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

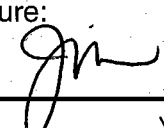


ROSALYN H. BAKER, Chair



The Senate  
Twenty-Ninth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce, Consumer Protection, and Health**  
**CPH**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2959	CPH, JDC	2/7/18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input checked="" type="checkbox"/> Pass, unamended 2312	<input type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
TOKUDA, Jill N. (VC)	/			
CHANG, Stanley	/			
ESPERO, Will	/			
IHARA, Jr., Les	/			
NISHIHARA, Clarence K.	/			
RUDERMAN, Russell E.				/
<b>TOTAL</b>	6			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes