STAND. COM. REP. NO. 418

Honolulu, Hawaii

FEB 1 5 2019

RE: S.B. No. 1325

Honorable Ronald D. Kouchi President of the Senate Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health, to which was referred S.B. No. 1325 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify that condominium associations may invest in government money market funds.

Your Committee received testimony in support of this measure from the Hawaii Bankers Association, Associa, and one individual.

Your Committee finds that existing law allows associations to invest only in certain securities, so that money collected from unit owners can be prudently invested. Government money market funds are mutual funds composed solely of government obligations. Mutual funds with government obligations often invest their excess cash in a sub-fund or funds. This enables the mutual fund to give associations a greater return than holding cash, while allowing the overlying fund to remain liquid enough to invest directly into government obligations when excess cash accumulates sufficiently or the market factors direct investment. This measure modernizes state law for consistency with the federal Securities and Exchange Commission regulations and allows condominium associations to invest in mutual funds.

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. 1325 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

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

ROSALYN H. RAKER. Chair

The Senate Thirtieth Legislature State of Hawai'i

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

Bill / Resolution No.:*	Committee	Referral:		ite:	
SB 1325	CPH	WAM	2/11/19		
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)		7			
CHANG, Stanley (VC)	vaneti ili	J			
KEOHOKALOLE, Jarrett		✓			
NISHIHARA, Clarence K.		U			
RUDERMAN, Russell E.		V			
THIELEN, Laura H.		V			
FEVELLA, Kurt					
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TOTAL		0			1
Recommendation:					
Adopted Not Adopted					
Chair's or Designee's Signature:					
RSU					
Distribution: Original Yellow Pink Goldenrod					
File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

^{*}Only one measure per Record of Votes