

STAND. COM. REP. NO.

478

Honolulu, Hawaii

FEB 15 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. BAKER, Chair



