STAND. COM. REP. NO. 1404

Honolulu, Hawaii

, 2019

MAR 19

RE: S.B. No. 551

S.D. 1 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 551, 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 confirm the Legislature's intent in authorizing condominium associations to exercise nonjudicial or power of sale foreclosure remedies regardless of the presence or absence of power of sale language in an association's governing documents.

Hawaiian Properties, Ltd.; Associa; Hawaii Legislative Action Committee of the Community Associations Institute; Porter McGuire Kiakona & Chow, LLP; Law Offices of Mark K. McKellar, LLLC; Hawaii Council of Associations of Apartment Owners; Collection Section of the Hawaii State Bar Association; Kolea Condominium Villas AOAO; Southpointe at Waiakoa AOAO; Kekuilani Villas AOAO; AOAO Waikiki Sunset; Honua Kai Condominium Association; Ke'alohi Kai Community Association; Ocean Pointe Residential Community Association; and numerous individuals submitted testimony in support of this measure. Dublin Law Offices, Hui 'Oia'i'o, and many individuals submitted testimony in opposition.

Your Committee has amended this measure by:

- (1) Amending the measure's preamble;
- (2) Clarifying that planned community associations may exercise nonjudicial or power of sale foreclosure remedies regardless of the presence or absence of power of sale language in an association's governing documents;
- (3) Amending the definition of "power of sale" under the foreclosure statutes to include a nonjudicial foreclosure when an association enforces its claim of an association lien, regardless of whether the association documents provide for a power of sale, a power of sale foreclosure, a power of sale remedy, or a nonjudicial foreclosure; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 551, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 551, 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,

ROY M. TAKUMI, Chair

SB551 HD1 HSCR CPC HMS 2019-3017

State of Hawaii House of Representatives #SC12 1404 The THIRTIETH Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 551, SD1	Committee Referral:	Date:	اماره	
SB 551, SP1 GPC, JUD 3 12 19 The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Pass short form bill with HD to recommit for future public hearing (recommit)				
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CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)	X			
2. ICHIYAMA, Linda (VC)				χ
3. AQUINO, Henry J.C.	L X			
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4. BELATTI, Della Au				Χ,
5. CABANILLA ARAKAWA, Rida	a X			
5. CABANILLA ARAKAWA, Rid	a C			
6. CACHOLA, Romy M.	X			<u></u>
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7. HAR, Sharon E.	X		taning to the second second	
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8. KONG, Sam Satoru	×		<u></u>	en en en en en en en en en
9. MIZUNO, John M.	\propto			
				and a summary of the
10. ONISHI, Richard H.K.	<u> </u>			
11. MATSUMOTO, Lauren	X		-	
				 -
TOTAL (11)	9			2
The recommendation is: If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				