

STAND. COM. REP. NO.

2200

Honolulu, Hawaii

, 2019

APR 05

RE: S.B. No. 551
S.D. 1
H.D. 2

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

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 551, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to authorize planned community and condominium associations to use nonjudicial foreclosure to collect delinquencies regardless of the presence or absence of power of sale language in the association's governing documents.

The Hawaii Legislative Action Committee of the Community Associations Institute; Associa; Hawaiian Properties, Ltd.; Anderson Lahne & Fujisaki; Law Offices of Mark K. McKellar, LLLC; Hawaii Council of Associations of Apartment Owners; Collection Section of the Hawaii State Bar Association; Hawaii Kai Peninsula AOA; Mott Smith Laniloa; Palehua Townhouse Association; Kulana Knolls AOA; Association of Apartment Owners of the Fairways at Mauna Lani; AOA Harbour Ridge; and numerous individuals testified in support of this measure. Imanaka Asato, Hui 'Oia'i'o, Dubin Law Offices, and many individuals testified in opposition to this measure.

SB551 HD2 HSCR JUD HMS 2019-3755



Your Committee has amended this measure by:

- (1) Deleting its preamble;
- (2) Deleting amendments to chapter 421J (Planned Community Associations) and chapter 514B (Condominiums), Hawaii Revised Statutes;
- (3) Clarifying that the explicit grant of power of sale to associations is required for the purposes of enforcing association liens under the association alternate power of sale foreclosure process;
- (4) Clarifying that a foreclosing association that acquired a unit through a foreclosure proceeding in violation of the association alternate power of sale foreclosure process between June 28, 2012, and the effective date of this measure, shall be liable for reasonable damages and attorney's fees;
- (5) Establishing an association foreclosure task force to review existing foreclosure laws and propose additional solutions that protect the interests of associations and prevent the State's foreclosure laws from unfairly treating unit owners; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 551, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 551, S.D. 1, H.D. 2.



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



CHRIS LEE, Chair



State of Hawaii
House of Representatives
The THIRTIETH Legislature

HSCR 2200

Record of Votes of the Committee on Judiciary

Bill/Resolution No.: <i>SB 551, SD 1, HD 1</i>	Committee Referral: <i>CPC, JUD</i>	Date: <i>4.5.2019</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
JUD Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)	/			
2. SAN BUENAVENTURA, Joy A. (VC)	/			
3. BROWER, Tom	/			
4. CREAGAN, Richard P.	/			
5. LOWEN, Nicole E.	/			
6. McKELVEY, Angus L.K.	/			
7. MORIKAWA, Dee	/			
8. SAY, Calvin K.Y.			/	
9. TAKAYAMA, Gregg	/			
10. YAMANE, Ryan I.	/			
11. THIELEN, Cynthia	/			
TOTAL (11)	<i>10</i>		<i>1</i>	
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small style="margin-left: 100px;">committee acronym(s)</small>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				