

STAND. COM. REP. NO.

11654

Honolulu, Hawaii

MAR 28 2019

RE: S.C.R. No. 63  
S.D. 1

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.C.R. No. 63 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE  
REFERENCE BUREAU, IN CONSULTATION WITH THE DEPARTMENT OF  
COMMERCE AND CONSUMER AFFAIRS, TO CONDUCT A STUDY ON THE  
IMPLEMENTATION OF RECOMMENDATIONS FOUND IN THE CONDOMINIUM  
GOVERNANCE - AN EXAMINATION OF SOME ISSUES 1989 REPORT BY THE  
LEGISLATIVE REFERENCE BUREAU,"

begs leave to report as follows:

The purpose and intent of this measure is to request the  
Legislative Reference Bureau, in consultation with the Department  
of Commerce and Consumer Affairs, to conduct a study on the  
implementation of recommendations found in the *Condominium  
Governance - An Examination of Some Issues* 1989 Report by the  
Legislative Reference Bureau.

Your Committee received testimony in support of this measure  
from the Real Estate Commission. Your Committee received comments  
on this measure from the Legislative Reference Bureau.

Your Committee finds that *Condominium Governance - An  
Examination of Some Issues*, Report No. 4, 1989 (Report) is now  
thirty years old. The population of Hawaii has drastically  
increased since 1989, along with the number of registered  
condominium associations, and a study should be conducted to



determine whether, and to what degree, the findings and recommendations in the Report have been implemented.

Your Committee notes the concerns raised in the Legislative Reference Bureau's testimony that, at the time the Report was written, the position of "condominium specialist" within the Department of Commerce and Consumer Affairs had just been established, so very little inherent condominium governance had been amassed. Currently, there are roughly 1,668 condominium association registrations and 29 condominium hotel operator registrations. Your Committee also finds that the Real Estate Branch of the Department of Commerce and Consumer Affairs has had the benefit of 30 years or practical experience related to condominium property regimes and is authorized to employ multiple condominium specialists. Accordingly, the Real Estate Commission is in a better experiential position to conduct the study contemplated by this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the Real Estate Commission, rather than the Legislative Reference Bureau, is requested to conduct the condominium governance study and report to the Legislature;
- (2) Specifying additional areas for the Real Estate Commission to include in the condominium governance study, including assessments related to the developer's public report, current financial reserves and funding requirements, voting processes, and inherent conflicts between different types of condominium owners;
- (3) Requesting the Legislative Reference Bureau to provide technical assistance to the Real Estate Commission as the Commission completes its study;
- (4) Amending its title in accordance with its amended purpose; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



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 concurs with the intent and purpose of S.C.R. No. 63, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 63, S.D. 1.

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



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ROSALYN H. BAKER, Chair



