

STAND. COM. REP. NO.

1655

Honolulu, Hawaii

MAR 28 2019

RE: S.R. No. 41
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.R. No. 41 entitled:

"SENATE 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 did not receive any testimony on this measure.

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:

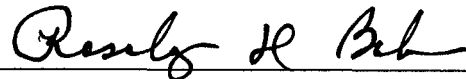
- (1) Clarifying that the Real Estate Commission, rather than the Legislative Reference Bureau, is requested to conduct the condominium governance study and report to the Legislature;
- (2) Specifying additional areas for the Real Estate Commission to include in the condominium governance study, including 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.R. No. 41, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 41, S.D. 1.

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




ROSALYN H. BAKER, 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:	Date:
SR 41	CPH	3/21/19
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
BAKER, Rosalyn H. (C)	✓	
CHANG, Stanley (VC)	✓	
KEOHOKALOLE, Jarrett		✓
NISHIHARA, Clarence K.	✓	
RUDERMAN, Russell E.	✓	
THIELEN, Laura H.	✓	
FEVELLA, Kurt	✓	
TOTAL	6	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy		

*Only one measure per Record of Votes