

STAND. COM. REP. NO.

59

Honolulu, Hawaii

February 6, 2019

RE: H.B. No. 1557  
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 H.B. No. 1557 entitled:

"A BILL FOR AN ACT RELATING TO UNOCCUPIED RESIDENTIAL  
PROPERTIES,"

begs leave to report as follows:

The purpose of this measure is to prevent a residential  
property subject to a judicial foreclosure action from becoming  
unoccupied by:

- (1) Imposing a fine upon the homeowner of a property going  
through the foreclosure process, the foreclosing party,  
or prevailing purchaser under certain conditions;
- (2) Requiring counties to regulate rentals of foreclosed  
properties and enforce fines; and
- (3) Specifying the manner in which the property may be  
rented during the pendency of the foreclosure  
proceeding.

Two individuals testified in support of this measure.  
Hawaiian Properties, Ltd., Associa, Hawaii Chapter of the  
Community Associations Institute Legislative Action Committee,  
Hawaii Financial Services Association, Hawaii Bankers Association,

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and an individual testified in opposition. The Office of Consumer Protection of the Department of Commerce and Consumer Affairs provided comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that testimony has raised concerns regarding the fines imposed by this measure, such as constitutional concerns and fairness concerns as judicial sales may be postponed for various reasons outside of the foreclosing party's control. Should your Committee on Judiciary consider this measure, your Committee respectfully requests that it examine the fines imposed by this measure.

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 H.B. No. 1557, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1557, 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,



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ROY M. TAKUMI, Chair



