Honolulu, Hawaii

, 2020

FEB 1 4

RE: H.B. No. 2195
     H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which
was referred H.B. No. 2195 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to provide an exemption from
the condominium developer annual reporting requirements for
developers of a condominium consisting of only two units, one in
which the developer resides and one which is sold.

Your Committee received testimony in support of this measure
from the Hawaii Real Estate Commission, Community Associations
Institute, Associa, Country Club Village, Hawaii Council for
Associations of Apartment Owners, and five individuals. Your
Committee received testimony in opposition to this measure from
two individuals. Your Committee received comments on this measure
from one individual.

Your Committee finds that homeowners whose developments
consist of as few as two units under a condominium property regime
are considered developers for purposes of the Condominium Property
Act. Under the Condominium Property Act, developers are required
to file an annual report and pay an annual fee until all units in
a development have been sold. This requirement unduly burdens
homeowner-developers who permanently reside on their property and

do not intend to sell their unit in the development. This measure will provide relief in these specific instances from the burdensome annual filing and fee requirements.

Your Committee has amended this measure by:

(1)   Specifying that the exemption from the annual report requirement applies to all subsequent annual reports after filing an annual report notifying that the initial sales of all units have been completed;

(2)   Clarifying that the exemption for two-unit developers who occupy one unit in a condominium project satisfies the requirements for an exemption from annual reports;

(3)   Changing its effective date to July 1, 2050, to encourage further discussion; and

(4)   Making technical, nonsubstantive amendments for the purposes of 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 H.B. No. 2195, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2195, H.D. 1, and be referred to your Committee on Finance.

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

_____
ROY M. TAKUMI, Chair

State of Hawaii
House of Representatives **HSCR 519-20**
The THIRTIETH Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 2195	Committee Referral: CPC, FIN	Date: 2/12/20

☐ The committee is reconsidering its previous decision on the measure.

The recommendation is to: ☐ Pass, unamended (as is)   ☑ Pass, with amendments (HD)   ☐ Hold
☐ Pass short form bill with HD to recommit for future public hearing (recommit)

CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)	✓			
2. ICHIYAMA, Linda (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. BELATTI, Della Au				✓
5. CABANILLA ARAKAWA, Rida				✓
6. CACHOLA, Romy M.	✓			
7. HAR, Sharon E.				✓
8. KONG, Sam Satoru	✓			
9. MIZUNO, John M.	✓			
10. ONISHI, Richard H.K.	✓			
11. MATSUMOTO, Lauren	✓			
TOTAL (11)	8	0	0	3

The recommendation is: ☑ Adopted   ☐ Not Adopted
If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: _Linda Ichiyama_

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