

STAND. COM. REP. NO.

**2701**

Honolulu, Hawaii

**FEB 13 2020**

RE: S.B. No. 2421  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred S.B. No. 2421 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUM ASSOCIATIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to repeal the sunset provision of Act 195, Session Laws of Hawaii, 2018, permanently codifying the amendments to sections 514B-105, 514B-146, and 667-94, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Hawaii Council of Associations of Apartment Owners, Community Associations Institute, Associa, Kokua Council, Hui 'Oia 'i'o, and fourteen individuals.

Your Committee finds that Act 195, Session Laws of Hawaii, 2018 (Act 195), created important and effective rules relating to association foreclosures on condominiums and that the amendments made therein should remain permanent. When an owner is referred to a condominium association's attorney for a non-existent violation that has resulted in excessive fees and interest, the financial hardships this creates can, for many, result in the owner's loss of their condominium through a non-judicial foreclosure. Act 195 provides a desperately needed incentive for boards of directors to have a dialogue with owners. This measure makes permanent the amendments made by Act 195 to help protect

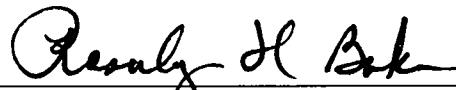


owners from being required to pay before they dispute charges, fees, penalties, interest, fines, and other non-common element charges, and from being victimized by the wrongful priority of payments procedures.

Your Committee has amended this measure by inserting an effective date of June 29, 2020.

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 is in accord with the intent and purpose of S.B. No. 2421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2421, S.D. 1, and be referred to your Committee on Judiciary.

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



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ROSALYN H. BAKER, Chair



