STAND. COM. REP. NO.

Honolulu, Hawaii

MAR 2 1 2022

H.B. No. 2243 RE:

> H.D. 1 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 2243, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- Require buildings and structures to be maintained in a safe and sanitary condition;
- (2) Require devices and safeguards to be maintained in conformance with county building codes;
- (3) Require condominium associations or their designated agents to be responsible for the maintenance of the buildings and structures; and
- Authorize county building officials to require a building or structure to be reinspected.

Your Committee received testimony in support of this measure from the Hawaii Insurers Council, Community Associations Institute, Hawaii Council of Community Associations, Associa, Palehua Townhouse Association, Kokua Council, Hui 'Oia'i'o, and two

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individuals. Your Committee received comments on this measure from three individuals.

Your Committee finds that the recent, tragic collapse of a condominium building in Florida has heightened the concerns of many who reside in condominiums in the State, especially due to the age and maintenance requirements of many Hawai'i properties. Your Committee further finds, however, that the State's existing laws are vastly different from Florida's laws in that Hawai'i law requires reserve studies and vests in the board of directors the duty and authority to maintain the project, whereas Florida law first requires homeowner approval, which could delay necessary repairs. Accordingly, amendments to this measure are necessary to conform the measure to existing laws while continuing to advance safety and other protections.

Your Committee has amended this measure by:

- (1)Clarifying that, with respect to the upkeep of condominiums, the board of directors shall be responsible for the operation of the property, as defined by section 514B-3, Hawaii Revised Statutes, which shall include the administration, fiscal management, and physical operation of the property inclusive of the maintenance, repair, and replacement or construction of additions and improvements to the common elements, and to maintain the project in accordance with the requirements of the reserve study and any state or county requirements applicable to the project; and
- (2) Inserting an effective date of January 1, 2023.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2243, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2243, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

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

ROSALYN H. BAKER, Chair

The Senate Thirty-First Legislature State of Hawai'i

Record of Votes Committee on Commerce and Consumer Protection CPN

Bill / Resolution No.:*	Committee Referral:			Date:		
HB 2243, HD1	CPM, WAM			03-15-2022		
The Committee is reconsidering its previous decision on this measure.						
If so, then the previous decision was to:						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Aye	Aye (W	/R)	Nay	Excused
BAKER, Rosalyn H. (C)		7				
CHANG, Stanley (VC)		/				
DECOITE, Lynn		V				
NISHIHARA, Clarence K.		7				
RIVIERE, Gil						
SAN BUENAVENTURA, Joy A	١.	✓				
FEVELLA, Kurt						7
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TOTAL		C				1
Recommendation: Adopted 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