

STAND. COM. REP. NO. **2731**

Honolulu, Hawaii

MAR 03 2022

RE: S.B. No. 2876
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 S.B. No. 2876 entitled:

"A BILL FOR AN ACT RELATING TO COMMON INTEREST COMMUNITIES,"

begs leave to report as follows:

The purpose and intent of this measure is to prohibit planned community associations, condominium associations, or their boards of directors from expending association funds to enforce de minimis violations of association rules or regulations that do not pose risks to the health and safety of other members, units, or unit owners.

Your Committee received testimony in support of this measure from Hui 'Oia'i'o and four individuals. Your Committee received testimony in opposition to this measure from the Hawaii Legislative Action Committee of the Community Associations Institute; Hawaii Council of Community Associations; Associa; Honolulu Tower AOA; Sunset Kahili AOA; CCV2 Board; Law Offices of Mark K. McKeller, LLC; Kipuka at Hoakalei AOUO; and eight individuals.

Your Committee finds that it is not uncommon for certain planned community or condominium unit owners to be saddled with unreasonable legal fees, or for them to feel they are being unfairly targeted and "bullied" by specific individuals on a board of directors, for seemingly minor violations of bylaws or house



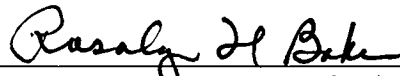
rules. This measure would prohibit an association from using association funds to enforce minor violations, ameliorate the problem of alleged harassment perpetrated by single individuals on association boards, and discourage associations from turning day-to-day minor issues over to expensive attorneys.

Your Committee has heard the concerns raised in testimony that the existing definition of "de minimis infraction" as presently drafted is subjective and could be open to various interpretations. Accordingly, amendments to this measure are necessary to address this concern.

Your Committee has amended this measure by clarifying that a "de minimis infraction" means a technical violation of a bylaw, rule, or regulation that results in not more than three complaints from separate units within a calendar year or does not result in a fine of more than \$500 per violation pursuant to the bylaws, rules, or regulations of the association.

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 S.B. No. 2876, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2876, S.D. 1, and be placed on the calendar for Third Reading.

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

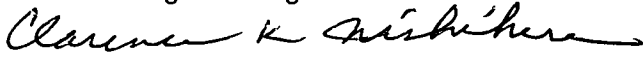


ROSALYN H. BAKER, Chair



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:
SB 2876	CPN	2-16-2022
<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)	/	
DECOITE, Lynn	/	
NISHIHARA, Clarence K.	/	
RIVIERE, Gil	/	
SAN BUENAVENTURA, Joy A.	/	
FEVELLA, Kurt	/	
TOTAL	7	—
—	—	—
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