

STAND. COM. REP. NO.

626

Honolulu, Hawaii

FEB 17

, 2023

RE: H.B. No. 1509
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 1509 entitled:

"A BILL FOR AN ACT RELATING TO COMMON-INTEREST DEVELOPMENTS,"

begs leave to report as follows:

The purpose of this measure is to establish the Common-Interest Development Oversight Task Force to examine the feasibility of bringing the various common-interest developments under the oversight of the Department of Commerce and Consumer Affairs.

Your Committee received testimony in support of this measure from the Palehua Townhouse Association, Hawaii Council of Associations of Apartment Owners, and four 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 common-interest developments, or real property development where property owners share a common set of financial obligations, are the fastest growing form of housing and a significant form of land development. Currently, there are a variety of forms of common-interest developments in Hawaii, such as condominium property regimes, planned communities, and

2023-1787 HB1509 HD1 HSCR HMSO



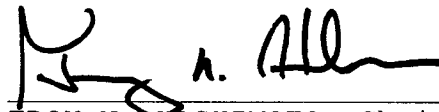
cooperative housing corporations. Your Committee further finds that these common-interest developments have different means to facilitate resolutions in case of certain disputes. Your Committee believes that the State should look into consolidating the governance of these three common-interest developments with the goal of making uniform rules applicable to all common-interest developments.

Your Committee has amended this measure by:

- (1) Amending the composition of the Common-Interest Development Oversight Task Force to include any additional members deemed necessary by the task force;
- (2) Requiring the Task Force to investigate whether additional duties and fiduciary responsibilities should be placed on members of boards of directors of cooperative housing corporations;
- (3) Changing the effective date to June 30, 3000, 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1509, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1509, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Housing,



TROY N. HASHIMOTO, Chair



