

STAND. COM. REP. NO. 829

Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 1201
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1201 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require condominium associations to register on an annual basis, rather than on a biennial basis;
- (2) Add an additional annual condominium education trust fund fee to be used to support the annual registration with attached documents of the association;
- (3) Amend the documents required for association registration;
- (4) Broaden the list of documents an association shall maintain; and
- (5) Amend the requirements and procedures for a condominium association to provide association documents to unit owners.

Your Committee received testimony in support of this measure from the Waikiki Neighborhood Board, Kokua Council, Hui 'Oia'io,



and eleven individuals. Your Committee received testimony in opposition to this measure from the Legislative Action Committee of the Community Associations Institute, Hawaii Chapter; Hawaii Council of Associations of Apartment Owners dba Hawaii Council of Community Associations; Honolulu Tower Townhouse Association; Palehua Hale AOA; and ten individuals. Your Committee received comments on this measure from the Real Estate Commission.

Your Committee finds that existing law requires condominiums to register with the Real Estate Commission on an biennial basis. However, due to board turnover, owners moving in and out of the condominiums, and other factors, the registration information the Real Estate Commission has for condominiums, including names of the board members, or management company agents, can quickly become out of date. Up to date information about a condominium and its finances is important for a purchaser of a unit in the condominium. Therefore, this measure requires condominiums to register more frequently on an annual basis and makes other amendments improving condominium associations' transparency and accountability.

Your Committee acknowledges the concerns raised in testimony that this measure, as currently drafted, requires the Real Estate Commission and Department of Commerce and Consumer Affairs to maintain a database, which is partially duplicative and could potentially contain personal identifiable information protected by federal privacy laws. Accordingly, amendments to this measure are necessary to address these concerns.

Your Committee has amended this measure by:

- (1) Deleting language that would have required the Real Estate Commission and Department of Commerce and Consumer Affairs to maintain a publicly available and searchable database on the Department's website containing the registration information;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



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. 1201, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1201, 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,




JARRETT KEOHOKALOLE, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB1201	CPN	2/28/23		
<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
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"		✓		
AWA, Brenton	✓			
TOTAL	4	1	0	0
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