

Honolulu, Hawaii  
, 2024

**FEB 07**

RE: H.B. No. 1565  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which  
was referred H.B. No. 1565 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to relieve homeowner-developers from the burden of filing annual reports and paying the fee for developments consisting of no more than two units, in which one unit is the residence of the developer and the initial sale of the other unit has been completed.

Your Committee received testimony in support of this measure from the Community Associations Institute and one individual. Your Committee received testimony in opposition to this measure from the Palehua Townhouse Association.

Your Committee finds that the Condominium Property Act characterizes homeowner-developers who own two units under a condominium property regime as a developer of a condominium project. Under the Condominium Property Act, developers are required to file an annual report and pay an annual fee until all units in a development have been sold. This requirement unduly burdens homeowner-developers who permanently reside on their property and do not intend to sell their unit in the development.



This measure will therefore provide relief in these specific instances from the burdensome annual filing and fee requirements.

Your Committee has amended this measure by changing the effective date to July 1, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1565, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1565, H.D. 1, and be referred to your Committee on Finance.

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



MARK M. NAKASHIMA, Chair



