

STAND. COM. REP. NO. **3296**

Honolulu, Hawaii

MAR 22 2024

RE: H.B. No. 2313
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 2313, 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 repeal the cutoff date of Act 196, Session Laws of Hawaii 2018, that allowed the Real Estate Commission to use any unexpended funds in the Condominium Education Trust Fund initially dedicated to support voluntary binding arbitration for other educational purposes.

Your Committee received testimony in support of this measure from one individual.

Your Committee received testimony in opposition to this measure from Hawaii First Realty LLC.

Your Committee finds that Act 196, Session Laws of Hawaii 2018 (Act 196), temporarily expanded the scope of the Condominium Education Trust Fund to cover voluntary binding arbitration between interested persons and amended the conditions that mandate mediation and exceptions to mandatory mediation. Separately, Act 196 also authorized any unexpended additional amounts paid into the Condominium Education Trust Fund and initially dedicated to



supporting voluntary binding arbitration to be used for other educational purposes until June 30, 2023.

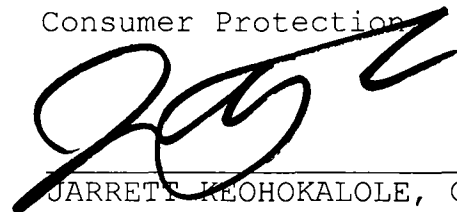
Your Committee further finds that while the success of the alternative dispute resolution remedies of Act 196 led the Legislature to make them permanent through the enactment of Act 57, Session Laws of Hawaii 2020, the authority granted by Act 196 to use unexpended funds initially dedicated to support voluntary binding arbitration for other educational purposes was not made permanent and sunset on June 30, 2023. Your Committee believes that the State must continue to support educational programs for the benefit of condominium associations and owners. This measure will reestablish the Condominium Education Trust Fund's ability to use excess funds initially designated for voluntary binding arbitration for certain educational purposes.

Your Committee notes that the Department of Commerce and Consumer Affairs has not submitted testimony on this measure and respectfully requests that it do so as this measure continues to move through the legislative process.

Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2040, to encourage further discussion.

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. 2313, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2313, 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



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:		
<i>HB 2313, HDI</i>	<i>CPN, WAM</i>	<i>3/20/24</i>		
<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
KEOHOKALOPE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton				✓
TOTAL	<i>4</i>			<i>1</i>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>Carol Fukunaga</i>				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes