

STAND. COM. REP. NO.

769

Honolulu, Hawaii

, 2023

FEB 17

RE: H.B. No. 381

H.D. 2

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 381, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to repeal the cutoff date established by Act 196, Session Laws of Hawaii 2018, that allowed the use of funds in the Condominium Education Trust Fund initially dedicated to supporting voluntary binding arbitration to be used for other educational purposes.

Your Committee received testimony in support of this measure from the Hawai'i Real Estate Commission; Palehua Townhouse Association; Legislative Action Committee of The Community Associations Institute, Hawaii Chapter; Hawaii Council of Associations of Apartment Owners; Mauna Luan; and four individuals. Your Committee received testimony in opposition to this measure from the Chamber of Sustainable Commerce and five individuals.

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. Your Committee

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further finds that these alternative dispute resolution remedies were found to be successful and made permanent by Act 57, Session Laws of Hawaii 2020 (Act 57). However, the cutoff date established by Act 196 for the authorized use of funds initially dedicated to supporting voluntary binding arbitration was not made permanent and is scheduled to sunset on June 30, 2023. This measure therefore repeals the cutoff date established by Act 196 to ensure that Condominium Education Trust Fund monies that were initially dedicated to supporting voluntary binding arbitration can continue to be used for the other statutory educational purposes.

Your Committee has amended this measure by 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 381, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 381, H.D. 2.

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



MARK M. NAKASHIMA, Chair



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: <i>HB381 HD1</i>	Committee Referral: <i>HSC, CPC, FIN</i>	Date: <i>02-16-23</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	—			
2. SAYAMA, Jackson D. (VC)	—			
3. AMATO, Terez			—	
4. BELATTI, Della Au	—			
5. HASHEM, Mark J.	—			
6. HUSSEY-BURDICK, Natalia	—			
7. GATES, Cedric Asuega	—			
8. LOWEN, Nicole E.	—			
9. ONISHI, Richard H.K.	—			
10. TAM, Adrian K.	—			
11. PIERICK, Elijah	—			
TOTAL (11)	<i>10</i>		<i>1</i>	
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>Jack Sauer</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				