

STAND. COM. REP. NO.

2373

Honolulu, Hawaii

FEB 14 2024

RE: S.B. No. 2336
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 S.B. No. 2336 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 that condominium renters who prevail in a lawsuit for a violation of the Residential Landlord-Tenant Code be awarded reasonable attorneys' fees and costs and threefold damages; and
- (2) Require the Real Estate Commission to:
 - (A) Establish a Condominium Association Board Oversight Task Force to ensure transparency and consistency in the management of condominiums;
 - (B) Report to the Legislature before the Regular Session of 2025; and
 - (C) Dissolve the Task Force on an unspecified date.

Your Committee received testimony in support of this measure from the Kokua Council, Legal Aid Society of Hawai'i, and three individuals.



Your Committee received testimony in opposition to this measure from the Hawai'i Real Estate Commission; Community Associations Institute; Palehua Townhouse Association; Hawaii First Realty LLC; Sky Tower Apartments; Law Offices of Mark K. McKellar, LLC; and seventeen individuals.

Your Committee finds that there is a need for greater oversight of condominium association boards and landlords. Currently, there is little, if any, accountability when condominium association boards wrongfully levy fines, initiate foreclosures, delay renovations, and take other adverse actions against unit owners. Therefore, this measure will help deter condominium association boards from committing acts of malfeasance by awarding reasonable attorneys' fees, costs, and threefold damages to condominium renters who prevail in a lawsuit for a violation of the Residential Landlord-Tenant Code.

Notwithstanding, your Committee has heard the concerns raised by testifiers that the objectives of the proposed task force appear to be duplicative in scope to the Condominium Property Regime Task Force established by Act 189, Session Laws of Hawaii 2023. Therefore, amendments to this measure are necessary to address this concern.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have established a Condominium Association Board Oversight Task Force;
- (2) Amending section 1 to reflect its amended purpose;
- (3) Inserting an effective date of July 1, 2040, to encourage further discussion; and
- (4) 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. 2336, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B.



No. 2336, S.D. 1, and be referred to your Committees on Judiciary and 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.:* <i>SB 2336</i>	Committee Referral: <i>CPN, JDC/WAM</i>	Date: <i>2/6/24</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
KEOHOKALOĀLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton				✓
TOTAL	4			1
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