

Honolulu, Hawaii

FEB 14 2025

RE: S.B. No. 1601  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection and  
Economic Development and Tourism, to which was referred S.B.  
No. 1601 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish within the Hawaii Green Infrastructure Authority (HGIA) the Condominium Loan Program to provide qualified condominium associations with low-cost financing or refinancing on previously obtained loans for necessary maintenance and repair projects;
- (2) Establish the Condominium Loan Loss Reserves Program to incentivize lenders into providing loans at competitive rates and terms to condominium associations to allow them to make necessary maintenance and repairs;
- (3) Require annual reports to the Legislature; and
- (4) Appropriate funds into and out of the Condominium Loan Revolving Fund.



Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Green Infrastructure Authority, and one individual.

Your Committees received comments on this measure from the Department of Budget and Finance, Hawaii Bankers Association, and Hawaii Credit Union League.

Your Committees find that more than half of all condominium buildings in the State were built before 1980, with a significant number of them requiring replacements, upgrades, and retrofits, all of which are costly and complicated projects. Your Committees also find that over thirty thousand units in condominium projects in the State are on the secondary market's "unavailable list" due to inadequate insurance coverage and other issues, elevating the urgency of this situation. Because commercial lenders typically require full insurance coverage before issuing loans for condominium upgrades and retrofits, associations are unable to obtain the funding necessary to resolve these issues that are inhibiting their ability to obtain full coverage. This measure will enable the HGIA to provide financing for condominium associations to fund essential repairs and address deferred maintenance and structural issues to enhance their insurability, thereby allowing unit owners to access secondary mortgage financing.

Your Committees have amended this measure by:

- (1) Inserting language to clarify that the HGIA may contract with community development financial institutions;
- (2) Clarifying loan eligibility conditions;
- (3) Clarifying the Condominium Loan Loss Reserves Program is intended to incentivize community development financial institutions to provide loans at competitive rates and terms to condominium associations to allow them to make necessary maintenance and repairs;
- (4) Clarifying that the Condominium Loan Revolving Fund shall be audited by a firm of independent certified public accountants selected by the HGIA, and that the HGIA shall provide the results of the audit to the



Department of Business, Economic Development, and  
Tourism and the Legislature;

- (5) Inserting an effective date of July 1, 2050, to  
encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the  
purposes of clarity and consistency.

As affirmed by the records of votes of the members of your  
Committees on Commerce and Consumer Protection and Economic  
Development and Tourism that are attached to this report, your  
Committees are in accord with the intent and purpose of S.B.  
No. 1601, as amended herein, and recommend that it pass Second  
Reading in the form attached hereto as S.B. No. 1601, S.D. 1, and  
be referred to your Committees on Ways and Means and Judiciary.

Respectfully submitted on  
behalf of the members of the  
Committees on Commerce and  
Consumer Protection and  
Economic Development and  
Tourism.

  
LYNN DECOITE, Chair

  
JARRETT KEOHOKALO, Chair



The Senate  
Thirty-Third Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB1601</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">CPN/EDT, WAM/JDL</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2/11/25</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311         </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310         </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313         </div> </div>				
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	0	0	1
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted         <input type="checkbox"/> Not Adopted         </div>				
Chair's or Designee's Signature: <div style="font-size: 1.2em; font-family: cursive; margin-top: 10px;">Carol Fukunaga</div>				
Distribution: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="text-align: center;">Original File with Committee Report</div> <div style="text-align: center;">Yellow Clerk's Office</div> <div style="text-align: center;">Pink Drafting Agency</div> <div style="text-align: center;">Goldenrod Committee File Copy</div> </div>				

**\*Only one measure per Record of Votes**

**Record of Votes**  
**Committee on Economic Development and Tourism**  
**EDT**

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