

STAND. COM. REP. NO.

470

Honolulu, Hawaii

MAR 03 2011

RE: S.B. No. 714
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 714 entitled:

"A BILL FOR AN ACT RELATING TO RESIDENTIAL REAL PROPERTY,"

begs leave to report as follows:

The purpose and intent of this measure is to require condominium property managers, associations of apartment owners, and planned community associations to make association documents available to property owners under reasonable terms and for reasonable costs.

Your Committee received testimony in support of this measure from five private individuals. Your Committee received comments in support of the intent of this measure from the Hawaii Council of Associations of Apartment Owners, the Hawai'i Association of REALTORS, and Management Information Consultants. Your Committee received comments on this measure from one private citizen. Your Committee received testimony in opposition to this measure from Soleil Management Consolidated Resorts Management; Certified Management, Inc.; Hawaiiana Management Company, Ltd.; the Hawaii Chapter of the Community Associations Institute; and two private individuals.

Your Committee finds that this measure allows condominium and planned community associations to modernize their business practices by authorizing the electronic distribution of association information to homeowners within the association. Your Committee further finds that this measure increases



transparency of association operations by ensuring that important association documents are accessible to homeowners without undue burdens such as excessive fees or restricted availability. Your Committee notes that although this measure is not yet in a form that accommodates interests of all stakeholders, it does respond to concerns raised on many relevant issues such as the protection of sensitive financial information and limiting electronic access to documents to current homeowners within the respective associations. Therefore, your Committee finds that this measure should move forward in the legislative process for further discussion and opportunities to achieve consensus among stakeholders.

Your Committee has amended this measure by:

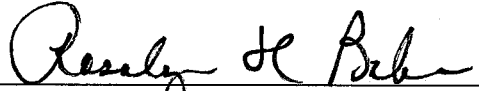
- (1) Specifying that financial information of an association shall be excluded from the information required to be posted on an association or property management company's website;
- (2) Specifying that information posted on an association or property management company's website is required to be accessible only to homeowners within the association;
- (3) Inserting an effective date of July 1, 2050, to allow for 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. 714, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 714, S.D. 1, and be placed on the calendar for Third Reading.



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



ROSALYN H. BAKER, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 714	CPN	2-23-11		
<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
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
GALUTERIA, Brickwood	✓			
GREEN, M.D., Josh	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama		✓		
SLOM, Sam	✓			
TOTAL	6	1	0	0
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