

Honolulu, Hawaii

FEB 25 2015

RE: S.B. No. 17

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 17 entitled:

"A BILL FOR AN ACT RELATING TO REAL ESTATE SELLER DISCLOSURE,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify that the required disclosure of documents by a seller for a residential real property that is subject to restrictions or conditions on use applies to documents that are within a seller's knowledge or control.

Your Committee received testimony in support of this measure from the Hawai'i Association of REALTORS.

Your Committee finds that various sections in chapter 508D, Hawaii Revised Statutes, were amended in 2013 to, among other things, establish a uniform standard of disclosure for consumers and real estate licensees involved in planned community association, condominium project, and cooperative housing corporation transactions. However, concerns have been raised that the amended disclosure requirements under chapter 508D, Hawaii Revised Statutes, created a burden upon sellers who may not have knowledge or control of unrecorded rules or guidelines.

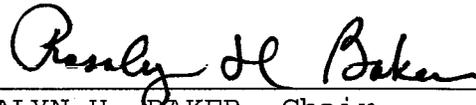
Your Committee further finds that buyers are protected by an existing statutory duty that requires sellers to act in good faith and disclose all material facts. This measure does not affect that existing duty but rather clarifies that the requirement to



disclose documents applies to those documents within a seller's knowledge or control.

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. 17 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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



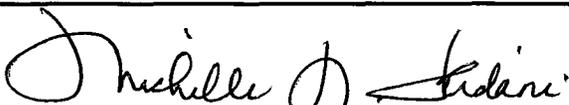
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ROSALYN H. BAKER, Chair



The Senate  
Twenty-Eighth Legislature  
State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 17	CPN	2-19-15		
<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 checked="" type="checkbox"/> Pass, unamended 2312				
<input 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)				✓
KAHELE, Gilbert	✓			
KIDANI, Michelle N.	✓			
NISHIHARA, Clarence K.	✓			
WAKAI, Glenn				✓
SLOM, Sam				✓
<b>TOTAL</b>	4			3
Recommendation:				
<input checked="" type="checkbox"/> Adopted				
<input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes