

STAND. COM. REP. NO.

196

Honolulu, Hawaii

February 10, 2017

RE: H.B. No. 649

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 649 entitled:

"A BILL FOR AN ACT RELATING TO ASSOCIATION LEGAL FEES,"

begs leave to report as follows:

The purpose of this measure is to enable a planned community and condominium unit owner to withhold payment of legal fees included in an association-imposed assessment, pending resolution of arbitration or court proceedings in which the unit owner has disputed the validity of the assessment amount.

The Hawaii Council of Associations of Apartment Owners dba Hawaii Council of Community Associations, Legal Aid Society of Hawaii, and several concerned individuals testified in support of this measure. The Hawaii Chapter Community Associations Institute Legislative Action Committee, Associa, and an individual testified in opposition to this measure. One individual provided comments.

Your Committee has amended this measure by:

- (1) Including mediation among the proceedings where legal fees may be withheld pending resolution of an assessment dispute;
- (2) Changing its effective date to July 1, 2112, to facilitate further discussion; and

HB649 HD1 HSCR CPC HMS 2017-1820



- (3) Making technical, nonsubstantive amendments for 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. 649, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 649, H.D. 1, and be referred to your Committee on Judiciary.

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



ANGUS L.K. MCKELVEY, Chair



