

STAND. COM. REP. NO.

1404

Honolulu, Hawaii

MAR 19

, 2019

RE: S.B. No. 551

S.D. 1

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which
was referred S.B. No. 551, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to confirm the Legislature's
intent in authorizing condominium associations to exercise
nonjudicial or power of sale foreclosure remedies regardless of
the presence or absence of power of sale language in an
association's governing documents.

Hawaiian Properties, Ltd.; Associa; Hawaii Legislative Action
Committee of the Community Associations Institute; Porter McGuire
Kiakona & Chow, LLP; Law Offices of Mark K. McKellar, LLC; Hawaii
Council of Associations of Apartment Owners; Collection Section of
the Hawaii State Bar Association; Kolea Condominium Villas AOA;
Southpointe at Waiakoa AOA; Kekuilani Villas AOA; AOA Waikiki
Sunset; Honua Kai Condominium Association; Ke'alohe Kai Community
Association; Ocean Pointe Residential Community Association; and
numerous individuals submitted testimony in support of this
measure. Dublin Law Offices, Hui 'Oia'i'o, and many individuals
submitted testimony in opposition.

SB551 HD1 HSCR CPC HMS 2019-3017



Your Committee has amended this measure by:

- (1) Amending the measure's preamble;
- (2) Clarifying that planned community associations may exercise nonjudicial or power of sale foreclosure remedies regardless of the presence or absence of power of sale language in an association's governing documents;
- (3) Amending the definition of "power of sale" under the foreclosure statutes to include a nonjudicial foreclosure when an association enforces its claim of an association lien, regardless of whether the association documents provide for a power of sale, a power of sale foreclosure, a power of sale remedy, or a nonjudicial foreclosure; and
- (4) 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 S.B. No. 551, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 551, S.D. 1, 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,



ROY M. TAKUMI, Chair



