

Honolulu, Hawaii  
March 21, 2014

RE: S.B. No. 2483  
S.D. 1  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2483, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUM ASSOCIATIONS,"

begs leave to report as follows:

The purpose of this measure, as received by your Committee, is to amend state condominium laws by specifying that:

- (1) The priority of a condominium association's lien for unpaid common expenses is subordinate to all real property tax liens, rather than all tax liens, on the unit; and
- (2) Condominium associations may assess unpaid common expenses against a purchaser or mortgagee of a delinquent unit in a judicial or nonjudicial power of sale foreclosure.

For the purposes of a public hearing on this bill, your Committee circulated H.B. 2483, S.D. 1, H.D. 1 (Proposed Draft) and notified the public that it would be accepting testimony on the proposal, which:

- (1) Removes the provision relating to priority of a condominium association's lien for unpaid common expenses; and

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- (2) Clarifies condominium board election rules by permitting boards to fill vacancies without elections only temporarily and setting out meeting and notice requirements for elections to fill vacancies.

The Hawaii Council of Associations of Apartment Owners and the Community Associations Institute Hawaii Chapter provided comments on this measure in the form in which it was received by your Committee.

The Department of Taxation, Hawaii State Bar Association Collection Law Section, and an individual provided comments on the Proposed Draft of this measure circulated and noticed by your Committee.

Your Committee considered the merits of both S.B. No. 2483 S.D. 1, as received by your Committee, and the Proposed Draft and upon careful consideration, adopted the Proposed Draft. Your Committee further amended the Proposed Draft by changing its effective date to July 1, 2014.

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. 2483, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2483, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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



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ANGUS L.K. MCKELVEY, Chair



