

Honolulu, Hawaii  
Feb 28, 2008

RE: H.B. No. 2460

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2460 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this bill is to clarify the permitted investments of condominium association funds, by specifying that condominium associations may invest association funds in certificates of deposit through the Certificate of Deposit Account Registry Service (CDARS) network.

The Hawaii Bankers Association testified in support of this bill. The Real Estate Commission and Hawaii Legislative Action Committee of the Community Association Institute submitted comments.

CDARS is a program that allows access to millions of dollars in Federal Deposit Insurance Corporation insurance coverage for certificates of deposit through a single financial institution. This type of investment option is especially useful for condominium associations with large memberships and considerable funds to invest. While associations appear to already have this option under section 514B-149(c)(2)(A), Hawaii Revised Statutes, this bill seeks to remove any uncertainty as to the permissibility of these types of condominium association investments.



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. 2460 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 Consumer  
Protection & Commerce,



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ROBERT N. HERKES, Chair



