

HAWAII COUNCIL OF ASSOCIATIONS  
OF APARTMENT OWNERS

P.O. Box 726  
Aiea, Hawaii 96701  
Telephone (808) 566-2122

January 29, 2008

Rep. Robert Herkes Chair  
Rep. Angus McKelvey, Vice-Chair  
House Committee on Consumer Protection & Commerce  
State Capitol  
Honolulu, Hawaii 96813

RE: HB 3331 Re Condominiums  
Hearing: Wed., Jan. 30, 2008, 2 p.m., Conf. Rm. #325

Chair Herkes and Vice-Chair McKelvey and Members of the Committee:


I am Jane Sugimura, President of the Hawaii Council of Associations of Apartment Owners (HCAAO).

HCAAO supports this bill and urges you to pass it out of committee.

This bill would amend the condominium dispute resolution ("CDR") provision in both HRS 514A and HRS 154B. It clarifies the term "participation in mediation" by requiring the mediator to provide written notices to all parties of the request to mediate, the disposition of the mediation and to specify the termination date. It also inserts certain language that was inadvertently deleted in 2007 relating to the types of claims would be subject to mediation. This bill also prevents a party from moving the dispute to arbitration where the complainant intended to resolve it through the CDR program.

HCAAO supported the passage of the CDR pilot project in 2004, 2005 and 2006 and hopes that the program would provide a cheaper, quicker alternative to dispute resolution among condominium owners, board members and others in the condominium community and with these amendments, we believe that that will happen.

Thank you for the opportunity to testify.



Jane Sugimura  
President

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**H.I.C.C.O.**

**HAWAII INDEPENDENT CONDOMINIUM & COOPERATIVE OWNERS**  
1600 ALA MOANA BLVD. - APT. 3100 - HONOLULU - HAWAII 96815

January 30, 2008

Rep. Robert N. Herkes, Chair  
Rep. Angus L. K. McKelvey, Vice Chair  
Committee on Consumer Protection  
and Commerce

**Testimony on HB 3331 Relating to Condominiums**

Dear Representatives:

Thank you for this opportunity to testify in strong support of HB 3331 on behalf of the Hawaii Independent Condominium and Co-op Owners (HICCO).

HB3331 accomplishes several things. First, it states which sections of 514B and 514A for which an owner or a Board of Directors can request a hearing. This is important because a majority of condominiums have not as yet opted in to 514B and are still governed by 514A. The current State Statute has caused considerable confusion this year.

Secondly, HB 3331 will ensure that an owner or the Board of Directors will have an opportunity to request a hearing without the other party taking a complaint directly to the much more expensive process of arbitration where attorneys are required. This totally undermines the very purpose for which the Legislature created the hearing process.

HICCO requests that your committee support HB 3331. I will be present to answer any questions you may have.

Sincerely,

*Richard Port*

Richard Port, Chair  
Legislative Committee