

# SB 1483

**Measure Title:** RELATING TO HAWAII REVISED STATUTES SECTION 514B-153(E).

**Report Title:** Condominium Associations; Maintenance of Time Share Owner Records

**Description:** Exempts a condominium association from maintaining records for individual time share owners, when the project or units in the condominium project as subject to a time share plan under chapter 514E, Hawaii Revised Statutes, unless the individual time share owner requests that the condominium association maintain the owner's name and address in the condominium association's records.

**Companion:**

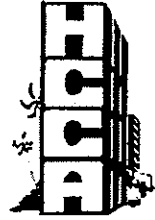
**Package:** None

**Current Referral:** CPN



**Hawaii Council of Associations  
of Apartment Owners**  
**DBA: Hawaii Council of Community Associations**

P.O. Box 726, Aiea, HI, 96701  
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February 19, 2011

Sen. Rosalyn H. Baker, Chair  
Sen. Brian Taniguchi, Vice-Chair  
Senate Committee on Commerce and Consumer Protection

Re: SB 1483 Hawaii Revised Statutes Section 514B-153(e)  
Hearing: Wednesday, Feb. 23, 2011, 8:30 a.m., Conf. Rm. #229

Chair Baker, Vice-Chair Taniguchi and Members of the Committee:

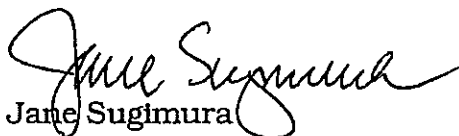
I am Jane Sugimura, President of the Hawaii Council of Associations of Apartment Owners (HCAAO).

HCAAO supports the intent and purpose of this bill and urges this committee to pass it out.

This bill clarifies that managing agents, resident managers or boards, who are required to keep a current list of members of the condominium association and their current addresses, including names and addresses of vendees under an agreement of sale, are not required to include owners of time share interests in such condominium projects.

The current practice is to list whole unit condominium owners and the time share association or plan manager as a representative of all time share owners. Requiring a list of individual time share owners to be maintained by the managing agent, resident manager, or board of the condominium would be administratively burdensome and would increase administrative costs, e.g., if notices had to be mailed to both whole unit owners and time share owners, to the association. Therefore, we urge passage of this bill.

Thank you for allowing me to testify on this bill.

  
Jane Sugimura



P.O. Box 976  
Honolulu, Hawaii 96808

The Honorable Rosalyn H. Baker, Chair  
Committee on Commerce and Consumer Protection

RE: BILL: ~~SB1438~~ SB1483  
DATE: February 23, 2011  
TIME: 8:30 a.m.  
PLACE: Conference Room 229

Dear Senator Baker and Members of the Committee:

This testimony is submitted on behalf of the Hawai'i Legislative Action Committee of the Community Associations Institute ("CAI"). CAI is a non-profit national and statewide organization whose members include condominium associations, planned community associations, residential cooperatives, homeowners, managing agents, and others involved in creating, managing, servicing, and living in common interest communities.

CAI supports this Bill for numerous reasons. In general, the Bill will save condominium associations the expense, complications and grief of attempting to obtain a current membership list from the time share associations.

There are many time share associations in condominiums in Hawaii. In many condominiums, there are several time share associations adding to the burden of the condominium association in sending notices. For example, if there were a condominium association with 100 apartments, 50 of which were time share associations, under current law, the cost to the condominium association (assuming mailing costs were \$1 which I am told is low) would be \$2,550. (50 units x 50 weeks + 50 whole units = \$2,550). If this bill is enacted, the cost to the condominium association would be \$100. It is typical for a condominium association to have to make several mailings in order to achieve quorum and thus the mailing costs quickly escalate. Thus, the impact on the condominium association's budget would be minimized. As you know, the condominium associations in Hawaii face ever increasing budgets – electrical costs, water/sewer costs, insurance premiums, costs of maintenance of the improvements and the landscaping have

all significantly increased in recent years. There is no way the Board can control most of those costs. It certainly cannot control the costs of mailing notices.

Time share association plan managers are reluctant to share the names of their members because the sale or resale of time share intervals is a very competitive business. Thus, even though the law and/or the project documents for condominiums already state that the condominium association is entitled to the names, it is typical for the time share association to simply ignore demands for names and addresses. Thus, as a practical matter, most condominium associations with time share association members as members of the condominium association have no effective means to mail the notice to those members. In a few instances, the condominium associations have sought legal relief through the courts or through arbitration; however, that is obviously not a practical means of obtaining the list each year. This is an issue that needs a legislative solution.

Requiring condominium associations to mail notice of the annual meeting to members who are part of a time share association is duplicative. The governing documents of time share associations require that the time share association share the notice of annual meeting of the condominium association with its members. Thus, if the condominium association could find a way to obtain the list from the time share association, the members in the time share plan would receive 2 notices of the annual meeting or other notices required to be given to owners.

Again, CAI believes that this is a problem that can be solved quickly and efficiently by legislation. There has been no testimony in opposition to the Bill up to this time. The Bill provides that if a time share owner wants a copy of the condominium association mailing, he or she must be given the same.

Thank you for the opportunity to submit this testimony. If you have any questions, I can be reached at 697-6006 or by email at [jneeley@alf-hawaii.com](mailto:jneeley@alf-hawaii.com).

COMMUNITY ASSOCIATIONS INSTITUTE  
HAWAII LEGISLATIVE ACTION COMMITTEE

*/s/ Joyce Y. Neeley*

JOYCE Y. NEELEY

**IMANAKA  
KUDO &  
FUJIMOTO**

A Limited Liability Law Company

February 17, 2011

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Philippines

Hon. Mario R. Ramil

Former Associate Justice  
Hawaii Supreme Court

Senator Rosalyn H. Baker, Chair  
Senator Brian T. Taniguchi, Vice Chair  
Committee on Commerce and Consumer Protection  
State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

**Re: Testimony on SB 1483, Relating to Hawaii Revised Statutes  
Section 514B-153(e)  
Wednesday, February 23, 2011, Conference Room 229, 8:30 am**

Dear Chair Baker, Vice Chair Taniguchi and Members of the Committee:

Our office represents Consolidated Resorts Management, LLC. Please permit us to submit this testimony **IN SUPPORT** of the captioned measure. This measure seeks to clarify that the requirement that the managing agent, resident manager, or board of a condominium project (collectively, the "**Condominium Management**") maintain accurate and current list including names and addresses of association members *does not require* that they also maintain a list of individual time share owners within the project.

Membership lists are utilized by Condominium Management for the purpose of sending notices of meetings and other information to condominium unit owners. It may also be obtained by condominium unit owners for the purpose of soliciting proxies or providing information to other unit owners with respect to association matters.

Where there is a time share plan within a condominium project, current practice is to list the plan manager of the time share plan as a representative for all time share owners and to send any notices to the plan manager. Under Section 16-106-12 of the Hawaii Administrative Rules, the plan manager is required to keep an accurate and current list of the names and addresses of the time share association. Section 16-106-12 additionally charges plan managers with the management and maintenance of the time share units, including assessment and collection of maintenance fees, supervision and enforcement of the house rules of the project, and providing statements of receipt and expenditures to the time share owners.

Requiring Condominium Management to also maintain a list of all time share owners would create a significant additional duplicative burden on Condominium Management and would cause Condominium Management to incur unnecessary additional expenses which would be borne by all condominium unit owners. Each condominium unit submitted to a time share plan may have between 52 and 104 separate owners, greatly increasing the scope of the list maintained by Condominium Management and the mailing cost of any notices. Moreover, time share interests are highly alienable, and accordingly transfers of such interests would need to be actively monitored by the Condominium Management to keep ownership lists current.

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Senator Rosalyn H. Baker, Chair  
Senator Brian T. Taniguchi, Vice Chair  
February 17, 2011  
Page 2

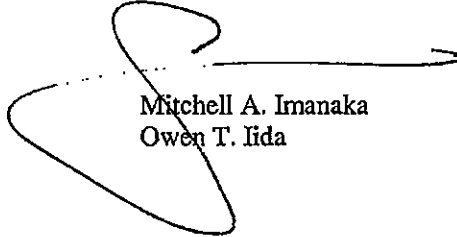
Passage of the proposed measure is consistent with current practice and would create no adverse impact on time share unit owners. As discussed above, because plan managers already undertake maintenance of ownership lists and notices to time share owners, requiring Condominium Management to do the same would be superfluous.

Note that the proposed measure permits time share owners to elect to be included in the membership lists maintained by Condominium Management, if they so desire.

For the foregoing reasons we ask that the foregoing measure be passed. Thank you very much for your consideration.

Very truly yours,

IMANAKA KUDO & FUJIMOTO



Mitchell A. Imanaka  
Owen T. Iida

580343.1



February 17, 2011

To: CPNTestimony@Capitol.hawaii.gov  
Commerce and Consumer Protection Committee  
Senator Rosalyn H. Baker, Chair  
Senator Brian T. Taniguchi, Vice Chair

From: Ann Baran  
Senior Director of Resort Operations  
Trading Places International

Date: February 23, 2011  
Conference Room 229  
8:30 a.m. (HST)

Re: **SB1483, Relating To Hawaii Revised Statutes Section 514b-153(e)**

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Chair Baker, Vice Chair Taniguchi and Members of the Committee:

Trading Places International is the managing agent for the Hawaiian Princess Time Share Owners Association which is part of the Association of Apartment Owners of Hawaiian Princess at Makaha Beach and we strongly support SB 1483, which exempts a condominium association from maintaining records for individual time share owners, when the project or units in the condominium project are subject to a time share plan under chapter 514E, Hawaii Revised Statutes, unless the individual time share owner requests that the condominium association maintain the owner's name and address in the condominium association's records.

The primary purpose of SB 1483 is to clarify existing law by allowing condominium associations to continue their long-standing practice of listing the name and address of the timeshare plan [or its plan manager] for each condominium unit dedicated to a timeshare plan. As such, we respectfully ask that you pass this measure.

It is also worth noting that failure to clarify existing law can lead to unintended interpretations of existing condominium law, the effects of which would significantly increase the burdens and operational expenses of condominium associations. For example, if individual timeshare owners are included on the Hawaiian Princess Association of Apartment Owners association membership list, the association may be required to send a copy of all meeting minutes and required notices to each individual timeshare owner. At Hawaiian Princess there are 121 units in the association and 32 of them are dedicated to timeshare with 51 intervals per unit resulting in a potential mailing increase of 1,632 pieces. If the pieces were to be sent certified, it would result in an additional expense for the association of approximately \$9,792.00. We feel SB1483 is consistent with other laws involving condominium associations units dedicated to timeshare and encourage you to support this bill.

Thank you for your consideration.

*Ann Baran*  
Ann Baran

Senior Director of Resort Operations  
Celebrating over 35 years of Quality, Service & Value



February 14, 2011

Email CPNTestimony@Capitol.hawaii.gov

Senator Rosalyn H. Baker, Chair  
Senator Brian T. Taniguchi, Vice Chair  
Committee on Commerce and Consumer Protection  
Hawaii State Capitol

RE: SB1483

Dear Senator Baker and Senator Taniguchi:

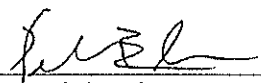
My name is Kelvin Bloom. I am the Manager and President of Aston Hotels & Resorts, LLC ("Aston"). Aston is in support of SB1483 and requests that you pass the proposed legislation.

The proposed measure allows a condominium association with units subject to a time share plan under Chapter 514E, Hawaii Revised Statutes, to maintain in its records the name and address of the time share association as the representative agent for the individual time share owners in lieu of the names and addresses of each individual time share owner, unless the individual time share owner requests that the condominium association maintain the individual owner's name and address in the condominium records. Each condominium association may still decide on its own whether it is advantageous or not to maintain the names and addresses of each individual owner, but would only be required to maintain the name and address of the time share association as a representative agent for the time share unit. The proposed measure is a valuable tool to minimize administration costs to condominium associations consisting of both whole units and time share units.

Accordingly, I hereby request that you pass SB1483.

Sincerely,

ASTON HOTELS & RESORTS, LLC

By   
\_\_\_\_\_  
Kelvin Bloom  
President and Manager

KB:krs

KB2011-05



# Management Information Consultants

February 21, 2011

Chair: Senator Rosalyn H. Baker  
Vice-Chair: Senator Brian T. Taniguchi  
Committee on Commerce and Consumer Protection  
Hawaii State Capitol, Room 229  
415 South Beretania Street  
Honolulu, HI 96813

**RE: SB1483; Testimony in SUPPORT; Hearing Date: 2/23/2011; Sent via web.**

Aloha Chair Baker, Vice-Chair Taniguchi, and Members of the Committee:

This testimony is provided in my capacity as an experienced professional registered parliamentarian for numerous condominium associations and time-share associations in our state for over 25 years.

I am pleased to be able to provide testimony in SUPPORT of SB1483.

The bill clarifies that condominium associations with a time share association do not have to bear the expensive burden of maintaining separate records for each time share owner.

Many of the owner functions of Hawaii condominiums with time share organizations are already performed by the time share organization directly or through its plan manager.

This duplication of effort is costly to Hawaii's condominium associations. One condominium unit could easily have 100 owners, representing weekly intervals in even or odd years (usually with a couple of reserved weeks for cleaning). Therefore, with a condominium association with 200 units, there could be 20,000 separate time share owners. This duplication becomes even more expensive in condominiums that have mixed time share and whole unit ownership.

The bill provides an additional feature for time share owners that permits them to specifically "opt-in" to have the association maintain a separate record of their ownership.

I SUPPORT this bill and urge you to pass it.

I may be contacted via phone: 423-6766 or by e-mail: [steveghi@gmail.com](mailto:steveghi@gmail.com). Thank you for the opportunity to present testimony.

Sincerely,

**Steve Glanstein**

Digitally signed by Steve Glanstein  
DN: cn=Steve Glanstein  
Date: 2011.02.21 21:31:26 -10'00'

Steve Glanstein, Professional Registered Parliamentarian  
President

SG:tbs

February 17, 2011

TO: Commerce and Consumer Protection Committee  
Senator Rosalyn H. Baker, Chair  
Senator Brian T. Taniguchi, Vice Chair

FROM: Glenn T. Stockton II  
Board Member  
Multiple Hawaii Condominium Associations With A Timeshare Overlay

DATE: February 23, 2011  
Conference Room 229  
8:30 a.m.

**RE: SB1483, Relating To Hawaii Revised Statutes Section 514b-153(e)**

Chair Baker, Vice Chair Taniguchi and Members of the Committee:

**I STRONGLY SUPPORT SB 1483**, which exempts a condominium association from maintaining records for individual time share owners, when the project or units in the condominium project are subject to a time share plan under chapter 514E, Hawaii Revised Statutes, unless the individual time share owner requests that the condominium association maintain the owner's name and address in the condominium association's records.

The primary purpose of SB 1483 is to clarify existing law by allowing condominium associations to continue their long-standing practice of listing the name and address of the timeshare plan [or its plan manager] for each condominium unit dedicated to a timeshare plan. SB 1483 is consistent with other laws involving condominium associations units dedicated to timeshare. For example, real property taxes and transient accommodation/occupancy taxes attributable to timeshare units have always been assessed against, and collected from, the timeshare plan [or its plan manager] rather than the individual timeshare owners of each unit. **My condominium associations do not need (or want) to keep track of thousands of timeshare owners! As such, I respectfully ask that you PASS this measure.**

It is also worth noting that failure to clarify existing law can lead to unintended [and absurd] interpretations of existing condominium law, the effects of which would significantly increase the burdens and operational expenses of condominium associations<sup>1</sup>. For example, if individual timeshare owners are included on the association's membership list, the association may be required to send a copy of all meeting minutes and required notices to each individual timeshare owner.

Thank you.

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<sup>1</sup> If a condominium unit is divided into 52 weeks and sold at 1/52 intervals (every year timeshare plans) or at 1/104 intervals (every-other-year timeshare plans), the inclusion of individual timeshare owners on an association's membership list will increase operation costs tied directly to the membership list by anywhere from 520% to 1040% per unit.

February 21, 2011

TO: Commerce and Consumer Protection Committee  
Senator Rosalyn H. Baker, Chair  
Senator Brian T. Taniguchi, Vice Chair

FROM: Kevin J. Blair  
Board Member  
Various Hawaii Condominium Associations

DATE: February 23, 2011  
Conference Room 229  
8:30 a.m.

**RE: SB1483, Relating To Hawaii Revised Statutes Section 514b-153(e)**

Chair Baker, Vice Chair Taniguchi and Members of the Committee:

I am providing this letter to strongly support SB 1483 which will exempt condominium associations from maintaining records for individual time share owners unless the individual time share owner requests that the condominium association maintain the owner's name and address in the condominium association's records. The five Hawaii condominium associations in which I am a Board member have units that are subject to a time share plan under chapter 514E, Hawaii Revised Statutes. These condominium associations have for many years listed the name and address of the timeshare plan or its plan manager for each condominium unit dedicated to a timeshare plan. As such, I respectfully ask that you pass this measure to allow condominiums to continue this practice.

By passing this measure, SB 1483 will become consistent with other Hawaii laws that pertain to projects that have both condominium and timeshare plans. As an example, the individual timeshare owners are not assessed real property taxes or transient occupancy taxes rather these items are assessed against, and collected from, the timeshare plan or its plan manager.

Most importantly, SB 1483 would save condominium associations significantly in terms of costs as the condominium associations could continue to provide notice to the timeshare plan or its plan manager instead of each individual members of the timeshare plan. If required to notice all timeshare members, the increased cost to an association would be 52 to 104 times for each condominium unit that is in the timeshare plan for each mailing.

Accordingly, I hereby request that you pass SB 1483.

Thank you.

Kevin J. Blair