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Honolulu, Hawaii 96813-2918
March 26, 2013

HOUSE COMMITTEE ON FINANCE
REGARDING SENATE BILL 505, SD2, HD1

Hearing Date: WEDNESDAY, March 27, 2013
Time : 4:45 p.m.
Place : Conference Room 308

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committees,

My name is John Morris and I am testifying in support of SB 505, SD2, HD1. One of the major and ongoing problems in condominium living continues to be disputes between: (i) members of the association or (ii) members and their boards of directors. Since those involved in those disputes must continue to live together, mediation is a recognized means of resolving disputes in a way that allows the parties to continue to co-exist.

More specifically, successful mediation requires compromise and agreement between both sides to the dispute, which generally eliminates the concept of having a "winner" or a "loser" in any dispute. Therefore, SB 505, SD2, HD1 serves a worthwhile purpose of promoting mediation.

In fact, the Hawaii Real Estate Commission already has always supported mediation and has extensive experience in organizing a mediation program. As the wording of the bill itself indicates, section 514 B-71(a)(3) specifically states that the condominium education fund can be used for: "Expeditious and inexpensive procedures for resolving association disputes."

That language has been one of the stated purposes of the condominium education fund since the early 1990s, when the fund was first established. At that time, I was serving as the state's first condominium specialist, employed by the commission, and I have personal knowledge that the commission made a conscious decision at that time to include dispute resolution as one of the stated purposes of the education fund. Since that time, the commission has sponsored a mediation program through Mediation Center of the Pacific on Oahu and through other organizations on the neighbor islands.

Several years ago, I also attended a Real Estate Commission meeting at which the commission agreed to sponsor a pilot program for the type of "evaluative" mediation program of the type now being proposed by SB 505, SD2, HD1. In fact, the commission

TESTIMONY REGARDING SENATE BILL 505, SD2, HD1

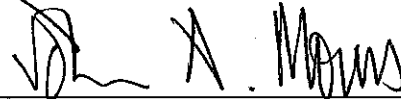
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authorized funding for the pilot program but the program has not been able to start up since that time. The commitment of funds through SB 505, SD2, HD1 should help jumpstart that process and provide the evaluative mediation that may help resolve the type of disputes the bill contemplates.

Please contact me at 523-0702 if you have any questions. Thank you for this opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read "John A. Morris", written over a horizontal line.

John A. Morris