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PRESENTATION OF DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS REGULATED INDUSTRIES COMPLAINTS OFFICE

TO THE HOUSE COMMITTEE
ON
JUDICIARY

TWENTY-NINTH STATE LEGISLATURE REGULAR SESSION, 2017

FRIDAY, FEBRUARY 24, 2017 2:00 P.M.

TESTIMONY ON HOUSE BILL NO. 1498 H.D.1
RELATING TO CONDOMINIUMS

TO THE HONORABLE SCOTT Y. NISHIMOTO, CHAIR, AND TO THE HONORABLE JOY A. SAN BUENAVENTURA, VICE CHAIR, AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify on House Bill No. 1498 H.D.1, Relating to Condominiums. My name is Daria Loy-Goto and I am the Complaints and Enforcement Officer for the Department's Regulated Industries Complaints Office ("RICO"). RICO offers the following enforcement-related comments on the bill.

House Bill No. 1498 H.D.1 requires the disclosure of contracts between an association and its resident or general manager to a unit owner and allows for any personal information to be redacted.

Testimony on House Bill No. 1498 H.D.1 February 24, 2017 Page 2

House Bill No. 1498 H.D.1 identifies, at page 6, lines 10-21, the types of personal information that may be redacted when a contract between an association and its manager is disclosed. The listed information, though not meant to be exhaustive, is consistent with Chapter 487N, Hawaii Revised Statutes ("HRS"), the Security Breach of Personal Information Chapter, and Chapter 92F, HRS, Hawaii's Uniform Information Practices Act.

RICO believes that enumerating specific types of personal information that may be redacted in a contract will assist condominium associations in their disclosure efforts and welcomes clarification in this area.

Thank you for the opportunity to testify on House Bill No. 1498 H.D.1. I will be happy to answer any questions the Committee may have.



Hawaii Council of Associations of Apartment Owners

DBA: <u>Hawaii Council of Community Associations</u>

1050 Bishop Street, #366, Honolulu, Hawaii 96813



February 22, 2017

Rep. Scott Nishimoto, Chair Rep. Joy San Buenaventura, Vice-Chair House Committee on Judiciary

Re: Testimony in Support of

HB1498 RELATING TO CONDOMINIUMS

Hearing: Fri., February 24, 2017, 2 p.m., Conf. Rm. #325

Chair Nishimoto, Vice-Chair San Buenaventura and Members of the Committee:

I am Jane Sugimura, President of the Hawaii Council of Associations of Apartment Owners (HCAAO dba HCCA). This organization represents the interests of condominium and community association members.

HCAAO supports the intent and purpose of this bill. We are aware that some associations have failed and refused to turn over the resident manager or general manager's employment agreement on the grounds that the employment agreement is not a "contract" that the owners are allowed to see and get copies of under HRS 514B-154, or if the employment agreement is released information including the manager's job description, compensation and terms of employment have been redacted, rendering the document useless to the recipient owner. This bill clarifies that a resident or general manager's employment agreement is a "contract" under HRS 514B-154 and must therefore be produced if sought by an owner and the bill provides that personal information may be redacted before turning over the document.

If you have any questions, please feel free to contact me. Thank you for the opportunity to testify on this matter.

Jane Sugimura

President

JUDtestimony

From: mailinglist@capitol.hawaii.gov

Sent: Thursday, February 23, 2017 8:01 AM

To: JUDtestimony

Cc: lila.mower@gmail.com

Subject: *Submitted testimony for HB1498 on Feb 24, 2017 14:00PM*

HB1498

Submitted on: 2/23/2017

Testimony for JUD on Feb 24, 2017 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Lila Mower	Hui `Oia`i`o	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

From: Diann K Lynn, 2333 Kapiolani Blvd., Honolulu 96826

To: State of Hawaii, House of Representatives, 29th Legislature

Committee on Judiciary, Rep. Scott Y. Nishimoto, Chair/Rep. Joy A. San Buenaventura, Vice Chair

Subj: HB1498, RELATING TO CONDOMINIUMS

1. I am writing in support of the subject bill before you on 24 February, which requires that contracts between condominium associations and the resident/general managers be made available to any unit owner, with the proviso that certain personal information may be redacted from the contracts as appropriate.

- 2. The number and size of condominiums in Hawaii means that a large proportion of the population is at the mercy of governance by association and boards of directors who are volunteers (and thus may or may not be experts on all matters which come before them), and resident/general managers and managing agents who hopefully (but may not always) have the best interest of owners and residents in mind when fulfilling their duties. Having strong State support of owners' rights is critical. I thank you for your efforts to oversee and protect the same.
- (3. I assume the date (July 1, 2112) in Section 4 is a typographical error and will be corrected.)

Sincerely

DIANN K LYNN

From: mailinglist@capitol.hawaii.gov

Sent: Thursday, February 23, 2017 11:44 AM

To: JUDtestimony

Cc: jwhite888@gmail.com

Submitted testimony for HB1498 on Feb 24, 2017 14:00PM

HB1498

Submitted on: 2/23/2017

Testimony for JUD on Feb 24, 2017 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
john white	Individual	Support	Yes

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

From: mailinglist@capitol.hawaii.gov

Sent: Thursday, February 23, 2017 11:16 AM

To: JUDtestimony

Cc: mrckima@gmail.com

Subject: Submitted testimony for HB1498 on Feb 24, 2017 14:00PM

HB1498

Submitted on: 2/23/2017

Testimony for JUD on Feb 24, 2017 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Marcia Kimura	Individual	Support	No

Comments: I am supportive of this measure because condo owners have a right to know the terms of a contract, as it was signed, and possible explanations for any prohibitive behavior by managers.

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

From: mailinglist@capitol.hawaii.gov

Sent: Thursday, February 23, 2017 5:22 PM

To: JUDtestimony

Cc: mkhan@hawaiiantel.net

Subject: Submitted testimony for HB1498 on Feb 24, 2017 14:00PM

HB1498

Submitted on: 2/23/2017

Testimony for JUD on Feb 24, 2017 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Marilyn L.i Khan	Individual	Support	No

Comments: Fully support this bill. Recently, I found the need to review not only the Resident Manager's contract, but also the property manager's contract to seek clarity on contract solicitation and implementation. The information was helpful and will lead to the development of clear written procedures for doing this kind of work.

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

