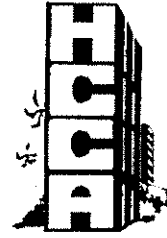




**Hawaii Council of Associations
of Apartment Owners**
DBA: Hawaii Council of Community Associations
1050 Bishop Street, #366, Honolulu, Hawaii 96813



February 3, 2017

Rep. Takashi Ohno, Chair
Rep. Issac Choy, Vice-Chair
House Committee on Intrastate Commerce

Re: Testimony in Opposition to
HB242 RELATING TO CONDOMIMUMS
Hearing: Wed., February 8, 2017, 9 a.m., Conf. Rm. #429

Chair Ohno, Vice-Chair Choy and Members of the Committee:

I am Jane Sugimura, President of the Hawaii Council of Associations of Apartment Owners (HCAAO dba HCCA). HCCA was established in 1975 and has been representing the interests of condominium and community association members since its inception. I have been actively involved in HCCA since 1990.

While HCCA supports providing information to condo owners and has in its 40-years existence as a non-profit advocacy group for condo associations shown its support for educating condo owners and Boards, we have concerns about this bill.

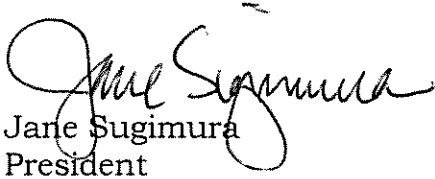
A "hot-line" for condominium issues already exists and has been available to the public in the DCCA since the 1980's when John Morris was appointed the first condo specialist. The DCCA Real Estate Commission already has a call-in number where owners can talk to a condo specialist to get free advice about condo matters. The condo specialist is trained to give information relating to HRS 514A and 514B and not to give legal advice since the condo specialist is not an attorney. Also, State employees probably should not be giving legal advice over the phone since that may expose the State to liability for the advice that may be given. Currently, there are 2 condo specialists and if the purpose of this bill is to add another condo specialist to respond to inquiries from the public, we would support that.

HCCA strongly objects to using state resources to subsidize one side of a condo dispute, i.e., condo owners who are in disputes with their boards, as expressed in this bill. HRS 514B-161 and 162 already provide for alternative dispute resolution remedies and the Real Estate Commission has been subsidizing facilitative mediations for years and evaluative mediations since July 2015. On 2/3/2017, we testified in favor of SB 121 and the Joint Senate CPH-JUD Committee adopted our suggestion to allow the condo-education fund to subsidize voluntary binding arbitration to resolve condo disputes.

The original purpose of the condo-education fund which was established over 20 years ago was to fund education for condo boards and owners so as to prevent the parties from resorting to court litigation to resolve condo disputes. Over the years, the condo-education fund has been used by the Real Estate Commission to prepare and promulgate educational and informational brochures and manuals (e.g., when the budget and reserve laws went into effect in the 1990's, the UH was contracted to prepare a "how to" manual on how the law would be implemented and how associations would have to comply and free seminars were conducted on all of the islands on the implementation of the new law), to partially subsidize educational seminars by entities like CAI and to subsidize mediation and now arbitration. It was never intended that those funds would be used to subsidize one side of a condominium dispute.

Also the monies in the condo-education fund are not "taxpayer" money. The monies are collected from every condo unit owner in the state. Every other year, I sign a check for my condo project where I serve as Board president to the State of Hawaii – we get an invoice from the DCCA for the biennial registration fee – and that money goes into the condo-education fund. That biennial registration fee is paid for by the maintenance fees charged to the unit owners in every condo project. So if these monies are to be spent, they need to be used to address the issue of education of owners and boards and dispute resolution and not to subsidize one side to the dispute.

For the reasons set forth, HCCA respectfully requests that you defer this bill. If you have any questions, please feel free to contact me. Thank you for the opportunity to testify on this matter.


Jane Sugimura
President

IACtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 4, 2017 1:28 PM
To: IACtestimony
Cc: Schoenecker@email.Phoenix.edu
Subject: Submitted testimony for HB242 on Feb 8, 2017 09:00AM

HB242

Submitted on: 2/4/2017

Testimony for IAC on Feb 8, 2017 09:00AM in Conference Room 429

Submitted By	Organization	Testifier Position	Present at Hearing
JOY SCHOENECKER	Mauna Luan	Oppose	No

Comments: A hot line for Condos - already exists - since 1980s. We strongly oppose using state resources to subsidize one side of a condo dispute. HRS514B-161 and 162 already provide for alternative dispute resolution remedies and the Real Estate Commission has been subsidizing facilitative mediations for years and evaluative mediations since July 2015.

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IACtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 4, 2017 10:33 AM
To: IACtestimony
Cc: richard.emery@associa.us
Subject: Submitted testimony for HB242 on Feb 8, 2017 09:00AM

HB242

Submitted on: 2/4/2017

Testimony for IAC on Feb 8, 2017 09:00AM in Conference Room 429

Submitted By	Organization	Testifier Position	Present at Hearing
Richard Emery	Associa	Oppose	Yes

Comments: I certainly favor assisting homeowners. The real estate commission staff currently provides this information and additional resources are not necessary.

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**PRESENTATION OF THE
REAL ESTATE COMMISSION**

TO THE HOUSE COMMITTEE ON
INTRASTATE COMMERCE

TWENTY-NINTH LEGISLATURE
Regular Session of 2017

Wednesday, February 8, 2017
9:00 a.m.

TESTIMONY ON HOUSE BILL NO. 242, RELATING TO CONDOMINIUMS.

TO THE HONORABLE TAKASHI OHNO, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Nikki Senter, Chairperson of the Hawaii Real Estate Commission ("Commission"). The Commission opposes this bill, and submits the following comments.

The purpose of this bill is to establish a condominium unit owner hotline to provide unit owners with legal information in matters relating to disputes with boards of directors by adding a new section to chapter 514B, Hawaii Revised Statutes ("HRS). The bill would also authorize the assessment of a reasonable fee for individuals requesting assistance in an amount dependent on household income, allow attorneys to volunteer to answer calls to the hotline and provide legal information; and provide that hotline be funded by the condominium education trust fund. The Commission appreciates the legislature's efforts to provide comprehensive support of this initiative, but notes that it already operates such a hotline for consumers pursuant to section 514B-64, HRS, to assist consumers with information, advice, and referral on any matter relating to chapter 514B, HRS, and condominiums. Callers are not assessed a fee for this service.

Testimony on House Bill No. 242
Wednesday, February 8, 2017
Page 2

Thus, this proposed legislation is duplicative of existing government services, and would unnecessarily divert education trust funds.

Also, the Commission does not support restricting this service to issues relating to disputes with board members, as the disputes sometimes include the actions of the AOA through its board and/or its property manager and/or its attorney.

While the Commission strongly believes that overall education of unit owners and directors is paramount, the Commission does not support this bill for the aforesaid reasons.

Thank you for the opportunity to provide testimony in opposition to House Bill No. 242.

IACtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 4, 2017 1:44 PM
To: IACtestimony
Cc: cporter@hawaiiilegal.com
Subject: Submitted testimony for HB242 on Feb 8, 2017 09:00AM

HB242

Submitted on: 2/4/2017

Testimony for IAC on Feb 8, 2017 09:00AM in Conference Room 429

Submitted By	Organization	Testifier Position	Present at Hearing
Christian Porter	Individual	Support	No

Comments: As an attorney in this industry, I believe that providing information to owners/consumers that live in condominiums is good. This suggestion of a hotline is a great way of getting information out, possibly avoiding confusion and potential disputes, and can only assist owners/consumers with understanding their rights. For these reasons, I support HB242. Thank you for your consideration.

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IACtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 4, 2017 6:55 AM
To: IACtestimony
Cc: aycockburr@aol.com
Subject: Submitted testimony for HB242 on Feb 8, 2017 09:00AM

HB242

Submitted on: 2/4/2017

Testimony for IAC on Feb 8, 2017 09:00AM in Conference Room 429

Submitted By	Organization	Testifier Position	Present at Hearing
Virginia Aycock	Individual	Support	No

Comments: Please vote yes for HB242. Low-income condominium owners would surely appreciate access to a hotline providing legal information relating to disputes with a condominium's board of directors. All owners ought to have this provided free of charge for the sake of transparency. Transparency shouldn't be costly but accessible to all interested parties.

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IACtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 5, 2017 11:39 PM
To: IACtestimony
Cc: bkulbis@reagan.com
Subject: Submitted testimony for HB242 on Feb 8, 2017 09:00AM

HB242

Submitted on: 2/5/2017

Testimony for IAC on Feb 8, 2017 09:00AM in Conference Room 429

Submitted By	Organization	Testifier Position	Present at Hearing
Brett Kulbis	Individual	Oppose	No

Comments: What is the empirical evidence that this issue is so rampant that it would require the State to feel they need to get involved. We already have a government office that should be doing this its called the Department of Commerce and Consumer Affairs - Real Estate Branch. The Real Estate Commission is responsible for the licensure, education and discipline of real estate agents; registration of prelicense schools, continuing education providers, condominium projects, condominium associations, condominium managing agents, and condominium hotel operators.

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IACtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 6:33 PM
To: IACtestimony
Cc: lmcguire@hawaiiilegal.com
Subject: *Submitted testimony for HB242 on Feb 8, 2017 09:00AM*

HB242

Submitted on: 2/6/2017

Testimony for IAC on Feb 8, 2017 09:00AM in Conference Room 429

Submitted By	Organization	Testifier Position	Present at Hearing
R Laree McGuire	Individual	Oppose	No

Comments:

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IACtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 8:23 PM
To: IACtestimony
Cc: mrckima@gmail.com
Subject: *Submitted testimony for HB242 on Feb 8, 2017 09:00AM*

HB242

Submitted on: 2/6/2017

Testimony for IAC on Feb 8, 2017 09:00AM in Conference Room 429

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

Comments:

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