

# HB2118

Measure Title: RELATING TO CONDOMINIUMS.

Report Title: Condominiums; Fire Sprinklers

Description: Allows a condominium board to borrow money for the installation of equipment for the health and safety of residents and apartment owners in the event of a government mandate without the consent of owners where at least twenty percent of owners reside outside of the United States. (HB2118 HD1)

Companion: [SB2959](#)

Package: None

Current Referral: CPH, JDC

Introducer(s): JOHANSON, BELATTI, BROWER, C. LEE, NISHIMOTO, OHNO

DAVID Y. IGE  
GOVERNOR

DOUGLAS S. CHIN  
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March 12, 2018

The Honorable Rosalyn Baker, Chair  
Committee on Commerce, Consumer  
Protection, and Health  
The State Senate  
State Capitol, Room 230  
Honolulu, Hawaii 96813

Dear Chair Baker:

Subject: House Bill (HB) 2118, House Draft (HD) 1 Relating to Condominiums

I am Manuel P. Neves, Chair of the Hawaii State Fire Council (SFC) and Fire Chief of the Honolulu Fire Department (HFD). The SFC and the HFD support HB 2118, HD 1, which proposes to amend § 514B-105 of the Hawaii Revised Statutes, that will allow a condominium board to install equipment for the residents' health and safety without the consent of the unit owners where at least 20 percent of the unit owners reside outside of the U.S.

The Marco Polo condominium fire on July 14, 2017, highlights the dangers of fire in unsprinklered buildings. Automatic fire sprinkler systems have been proven to save lives and property and protect the environment. Death rates and property loss are substantially reduced when these systems are installed and properly maintained.

Concerns by condominium associations have brought to light the fact that many property owners reside in foreign countries and do not respond to requests from the condominium board regarding life safety issues. Inaction by foreign property owners endangers the lives of those living in these condominiums from fire and other life safety issues.

Life safety is a top priority for the SFC and the HFD, and we urge your committee's support on the passage of HB 2118, HD 1.

The Honorable Rosalyn Baker, Chair  
Page 2  
March 12, 2018

Should you have questions, please contact SFC Administrative Specialist Lloyd Rogers at 723-7176 or [lrogers@honolulu.gov](mailto:lrogers@honolulu.gov).

Sincerely,



MANUEL P. NEVES  
Chair

MPN/LR:clc

**HB-2118-HD-1**

Submitted on: 3/12/2018 8:50:03 AM

Testimony for CPH on 3/13/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	Testifying for OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:

**HB-2118-HD-1**

Submitted on: 3/12/2018 7:40:27 AM

Testimony for CPH on 3/13/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lila Mower	Testifying for Hui `Oia`i`o	Comments	No

Comments:

The borrowing guidelines under this measure should be limited to the installation and acquisition of equipment or improvements to the common elements for the health and safety of residents and the loan funds borrowed under this measure should not be used to fund additional expenses not directly associated with the installation and acquisition of equipment or improvements to the common elements for the health and safety of residents.

Without such limitation, the association may expand the loan request for funding of projects, as examples, for beautification, landscaping, or the acquisition of a Resident Manager's unit, without the consent of owners.

**HB-2118-HD-1**

Submitted on: 3/9/2018 8:11:28 PM

Testimony for CPH on 3/13/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Benton Kealii Pang, Ph.D.	Individual	Support	No

Comments:

**HB-2118-HD-1**

Submitted on: 3/10/2018 10:42:10 AM

Testimony for CPH on 3/13/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Marcia Kimura	Individual	Oppose	No

Comments:

I am opposed to this measure, because it would allow boards to move ahead with expenditures or loans with the pretext that 20 per cent of owners live abroad; they would still be obligated to repay the loan, regardless of where they live and without their approval, if this becomes law.

**HB-2118-HD-1**

Submitted on: 3/12/2018 10:58:06 AM

Testimony for CPH on 3/13/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Richard Emery	Individual	Support	Yes

Comments:

We support this Bill that assists associations with fire safety by making it easier to borrow money when a high concentration of foreign owners own at the property..





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



March 12, 2018

Sen. Rosalyn H. Baker, Chair  
Sen. Jill Tokuda, Vice-Chair  
Senate Committee on Commerce, Consumer Protection and Health

Re: Testimony in support of  
HB2118, HD1 RELATING TO CONDOMINIUMS  
Hearing: Tues., March 13, 2018, 9 a.m. , Conf. Rm. #229


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

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

HCCA has no objection to HD 1 which changed "legislative [mandate]" to "government [mandate].

HCCA served on the Residential Fire Safety Advisory Committee ("RFSAC") established by the Honolulu City Council after the Marco Polo fire. One of the challenges that the Committee considered was how to assist associations pay for the installation of fire sprinklers, specifically if they wanted to borrow the funds necessary to pay for the retrofitting, which under current statutory provisions requires the consent of 50% of the ownership interest. This is particularly challenging when many owners live outside the US and whose primary language is not English. There are many high-rise buildings in Waikiki, Hawaii Kai and the Ala Moana areas in this situation. That is the reason for this bill.

This bill creates a very narrow exception for those buildings with at least 20% of their ownership living outside the US to borrow funds to install fire sprinklers (or any other installation or improvements mandated by government) without having to meet the threshold of 50% as specified in this provision. Accordingly, HCCA respectfully requests that you pass this HD1 unamended. Thank you for the opportunity to testify on this matter.

  
Jane Sugimura  
President

**HB-2118-HD-1**

Submitted on: 3/12/2018 10:54:37 PM

Testimony for CPH on 3/13/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Mike Golojuch	Testifying for Palehua Townhouse Association	Support	No

Comments:

We support HB2118.