

Testimony of the Real Estate Commission

**Before the
House Committee on Consumer Protection and Commerce
Thursday, March 21, 2019
2:00 p.m.
State Capitol, Conference Room 329**

**On the following measure:
H.R. 160, URGING THE REAL ESTATE COMMISSION TO DEVELOP TRAINING
FOR CONDOMINIUM ASSOCIATION BOARD MEMBERS**

Chair Takumi and Members of the Committee:

My name is Michael Pang, and I am the Chair of the Real Estate Commission (Commission). The Commission supports the intent of H.R. 160 and offers comments.

The purpose of this resolution is to increase training for condominium association board members by urging the Commission to develop training for condominium association board members through in-person classes held once a year in each county and by creating an educational curriculum comprising of: understanding association governing documents; directors' fiduciary duty; code of conduct for board members; conflicts of interest; the business judgment rule; and executive session confidentiality.

The Commission's primary statutory mandate is educating condominium owners and the condominium community. To that end, the Commission has developed numerous educational materials and brochures available on its website and that either directly address the above topics, with the exception of executive session confidentiality, or are included in other materials.

Recently, the Commission reorganized its Ad Hoc Committee on Education and Research (Committee) and gathered several condominium association industry members to provide educational guidance to the Commission. The Commission looks forward to this ongoing collaboration with the Committee to further the mission of educating the condominium community and providing more outreach where needed.

In addition, twice a year, a Commission-procured provider presents free seminars for condominium unit owners on topics similar to those in this resolution. These free seminars are videoed, edited, and posted to the Commission's website for interested parties to view at their convenience. In addition, the Commission and the

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H.R. 160

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Committee are exploring ways to expand the video library portion of the website to incorporate more educational issues and topic areas.

The Commission supports the intent of H.R. 160, and it will endeavor to build upon the aforementioned educational efforts and develop additional educational programs consistent with this resolution.

Thank you for the opportunity to testify on this resolution.

HR-160

Submitted on: 3/19/2019 2:48:44 PM

Testimony for CPC on 3/21/2019 2:00:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Jonathan Billings | Individual | Support | No |

Comments:

Aloha,

Thank you for taking the time to consider educational requirements for Board Members. I support HR160. I have managed associations for 10 years and can say from personal experience that Board Member education can improve. Oftentimes Board Members do not understand the basics of governing an association (e.g. Business Judgement Rule, Duty of Loyalty, Fiduciary Responsibility, Finances, etc.). Oftentimes Board Member make decisions based on personal agendas rather than basing the decision with what's best for the association. An educational requirement would benefit all Board Members, Managing Agents, onsite management and ultimately the association members.

Thank you for your consideration.

Jonathan Billings

HR-160

Submitted on: 3/19/2019 3:31:18 PM

Testimony for CPC on 3/21/2019 2:00:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| John Brewer | Individual | Support | No |

Comments:

The curriculum should be as it is outlined in HR160, the basics. These basics can serve as the starting point for any board member and for an expanded and more advanced curriculum in the future.

HR-160

Submitted on: 3/19/2019 8:14:05 PM

Testimony for CPC on 3/21/2019 2:00:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| David Thomson | Individual | Support | Yes |

Comments:

Thank you for the opportunity to provide testimony on this resolution.

I recommend SUPPORTING this resolution.

I am a former board member that served ten years and currently work for a managing agent. There is a constant effort on the part of property managers to educate the owners and board members on how a condo association works and what everyone's role is.

This curriculum is designed for the newly elected director and provides a path to successfully complete an orientation that covers the fundamentals of major general topics related to self-governance. The benefits of this curriculum will be to jump-start a newly elected director into their role of making self-governance decisions regarding the budget, finance, insurance, legal, contracts, and covenant matters.

Sincerely,

David Thomson, PCAM

HR-160

Submitted on: 3/20/2019 8:18:40 AM

Testimony for CPC on 3/21/2019 2:00:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Robert Doeseckle | 250 Ohua AOAO | Support | No |

Comments:

Am a board member of two Hawaii condominium organizations. Most board members have no training for these positions. Most don't understand Roberts Rules of motioning to achieve a board action.

Most board members don't understand the responsibilities of the board officers and look at the positions as honorary positions with no obligations. Many board members do not read proposed contracts and blame the contractor, property manager or general manager/ resident manager when contracted services don't meet their expectations.

HR-160

Submitted on: 3/20/2019 8:27:10 AM

Testimony for CPC on 3/21/2019 2:00:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Courtney Tagupa | DAGS | Support | Yes |

Comments:

HR-160

Submitted on: 3/20/2019 10:23:15 AM

Testimony for CPC on 3/21/2019 2:00:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|-------------------------|---------------------------|---------------------------|
| Linda Morabito | Golf Villas at Hualalai | Support | No |

Comments: