

HAWAII LEGISLATIVE
ACTION COMMITTEE


community
ASSOCIATIONS INSTITUTE

P.O. Box 976
Honolulu, Hawaii 96808

Honorable Roy M. Takumi, Chair
Honorable Linda Ichiyama, Vice Chair
415 South Beretania Street
Honolulu, Hawaii 96813

Re: HB 2195 SUPPORT

Dear Chair Takumi, Vice Chair Ichiyama and Committee Members:

The Community Associations Institute ("CAI") supports HB 2195. This bill would relieve the developer of a two-unit condominium who permanently resides in one of the units from the obligation to file an annual report after the other unit is sold.

There is no obvious harm in providing such relief. There is no obvious purpose to requiring the filing of annual reports in that circumstance.

Very truly yours,

Philip Nerney

Philip Nerney

HB-2195

Submitted on: 2/10/2020 1:45:36 PM

Testimony for CPC on 2/12/2020 2:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Richard Emery	Associa	Support	No

Comments:

We support this Bill that solves a technical issue for a 2-unit condominium.

HB-2195

Submitted on: 2/10/2020 5:35:17 PM

Testimony for CPC on 2/12/2020 2:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Richard J. Cohen	Individual	Support	No

Comments:

Good Afternoon.

I would like to take this opportunity to submit testimony in strong support of HB2195.

As the developer/owner/resident of a unit that satisfies the requirements of this bill for almost 20 years now, and with absolutely no intention of either selling the unit or moving in the foreseeable future, I wish to submit my testimony in strong support of the bill.

Though still technically considered to be a developer according to HRS514B (having transitioned from HRS514A) passed in 2018, I feel it absolutely wrong that I be designated this way. The need to file an annual developer's report and pay the associated annual filing fee simply for my continued living in my owner occupied, my only home, of almost 20 years just does not seem right to me and therefore should be corrected. Hopefully the passing of this bill will accommodate this unfortunate situation.

Thank you all so much for your close attention to this matter.

Aloha, Richard J. Cohen. Hawi (The Big Island)

HB-2195

Submitted on: 2/10/2020 7:37:21 PM

Testimony for CPC on 2/12/2020 2:05:00 PM

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

Comments:

HB-2195

Submitted on: 2/11/2020 9:19:41 AM

Testimony for CPC on 2/12/2020 2:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Beverly FeBenito	Individual	Oppose	No

Comments:

Dear Representative Takumi, Chair, Representative Ichiyama, Vice Chair, and Members of the Committee:

I support the intent of H.B. 2195, but believe that it must be amended before it is adopted.

1. bill recognizes that there are certain condominium projects in Hawaii which consist of only two units, one of which is owned and occupied by the developer as the developer's principal place of residence. Presently, developers are required to file annual reports, until they sell both units, even when then have no intention of selling the unit in which they reside. This bill is intended to eliminate the need for ongoing public reports after one unit is sold if the developer intends to occupy and use the second unit as his/her principal place of residence.

The problem with the bill is that it does not require the developer to record a document or notify the Real Estate Commission or consumers when the three criteria for the exemption provided by this bill have been met. Absent some recording or written notice, the Real Estate Commission would have no way of knowing whether the developer intends to occupy a unit as his/her principal place of residence. Accordingly, the bill should be revised to include a mechanism for developers to record a document or provide written notice to the Real Estate Commission and consumers when the three criteria outlined in this bill exist.

Respectfully submitted,

Beverly FeBenito

HB-2195

Submitted on: 2/11/2020 10:15:41 AM

Testimony for CPC on 2/12/2020 2:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Anne Anderson	Individual	Support	No

Comments:

Dear Representative Takumi, Chair, Representative Ichiyama, Vice Chair, and Members of the Committee:

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This bill recognizes that there are certain condominium projects in Hawaii which consist of only two units, one of which is owned and occupied by the developer as the developer's principal place of residence. Presently, developers are required to file annual reports, until they sell both units, even when then have no intention of selling the unit in which they reside. This bill is intended to eliminate the need for ongoing public reports after one unit is sold if the developer intends to occupy and use the second unit as his/her principal place of residence.

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Respectfully submitted,

M. Anne Anderson

HB-2195

Submitted on: 2/11/2020 10:20:49 AM

Testimony for CPC on 2/12/2020 2:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Bradford Lee Hair	Individual	Support	No

Comments:

Dear Representative Takumi, Chair, Representative Ichiyama, Vice Chair, and Members of the Committee:

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Respectfully submitted,

Bradford Lee Hair

HB-2195

Submitted on: 2/11/2020 10:26:45 AM

Testimony for CPC on 2/12/2020 2:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lance S. Fujisaki	Individual	Oppose	No

Comments:

Dear Representative Takumi, Chair, Representative Ichiyama, Vice Chair, and Members of the Committee:

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This bill recognizes that there are certain condominium projects in Hawaii which consist of only two units, one of which is owned and occupied by the developer as the developer's principal place of residence. Presently, developers are required to file annual reports, until they sell both units, even when then have no intention of selling the unit in which they reside. This bill is intended to eliminate the need for ongoing public reports after one unit is sold if the developer intends to occupy and use the second unit as his/her principal place of residence.

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Respectfully submitted,

Lance Fujisaki

HB-2195

Submitted on: 2/11/2020 10:32:28 AM

Testimony for CPC on 2/12/2020 2:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
mary freeman	Individual	Support	No

Comments:

Dear Representative Takumi, Chair, Representative Ichiyama, Vice Chair, and Members of the Committee:

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Respectfully submitted,

Mary S. Freeman

Dear Representative Takumi, Chair, Representative Ichiyama, Vice Chair, and Members of the Committee:

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Respectfully submitted,

Chandra R. N. Kanemaru

AOAO Board Secretary/Director of Country Club Village

HB-2195

Submitted on: 2/11/2020 12:35:04 PM

Testimony for CPC on 2/12/2020 2:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Paul A. Ireland Koftinow	Individual	Comments	No

Comments:

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Respectfully submitted,

Paul A. Ireland Koftinow

Testimony of the Real Estate Commission

Before the
House Committee on Consumer Protection & Commerce
Wednesday, February 12, 2020
2:05 p.m.
State Capitol, Conference Room 329

On the following measure:
H.B. 2195, RELATING TO CONDOMINIUMS

Chair Takumi and Members of the Committee:

My name is Michael Pang, and I am the Chairperson of the Hawaii Real Estate Commission (Commission). The Commission supports this bill with a suggested amendment.

The purpose of this bill is to provide that any unit in a development that consists of not more than two units and occupied for one year by the developer, its successor, or assign as the principal place of residence shall be considered sold for purposes of satisfying a developer's annual report requirement.

The Commission notes that section 1 of this bill appears to confuse a subdivision with a condominium. Creating a condominium does not subdivide the real property; it is merely a form of ownership.

In addition, "sale" under part IV of Hawaii Revised Statutes chapter 514B (of which section 514B-58 is part) means a bona fide arm's length transaction for fair market value to a purchaser. Giving it another meaning could confuse both current owners and future buyers. Accordingly, to avoid confusion by owners and/or developers and prospective purchasers of units in a two-unit condominium project, the Commission recommends amending subsection (b) to read:

"(b) The developer, its successor, or assign shall be relieved from filing annual reports pursuant to this section when the initial sales of all units have been completed [.]; including any development:

- (1) That consists of not more than two units;
- (2) In which one of the units is the principal place of residence of the developer, its successor, or assign; and
- (3) For which the initial sale of the other unit has been completed."

Testimony of the Real Estate Commission
H.B. 2195
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Thank you for the opportunity to testify on this bill.

HB-2195

Submitted on: 2/11/2020 11:02:04 PM

Testimony for CPC on 2/12/2020 2:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jane Sugimura	Hawaii Council for Assoc. of Apt. Owners	Support	No

Comments: