

**Testimony of the Real Estate Commission**

**Before the  
House Committee on Consumer Protection & Commerce  
and  
House Committee on Judiciary  
Thursday, March 12, 2020  
2:00 p.m.  
State Capitol, Conference Room 329**

**On the following measure:  
S.B. 2425, S.D. 1, RELATING TO CONDOMINIUMS**

Chairs Takumi, Chair Lee, and Members of the Committees:

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

The purpose of this bill is to repeal the sunset provision of Act 196, Session Laws of Hawaii 2018, to make permanent the amendments to Hawaii Revised Statutes (HRS) sections 514B-71(a) (Condominium education trust fund), 514B-72(a) (Condominium education trust fund; payments by associations and developers), and 514B-161 (Mediation). The Commission also notes that this bill repeals the sunset provision for HRS section 514B-162.5 (Voluntary binding arbitration), which is currently in effect.

The Commission supports mediation and voluntary binding arbitration and encourages the use of alternative dispute resolution for condominium-related disputes as a valuable self-governance tool.

Thank you for the opportunity to testify on this bill.

HAWAII LEGISLATIVE  
ACTION COMMITTEE

  
**community**  
ASSOCIATIONS INSTITUTE

P.O. Box 976  
Honolulu, Hawaii 96808

March 10, 2020

Chair Roy M. Takumi  
Vice Chair Linda Ichiyama  
Committee on Consumer Protection & Commerce  
415 South Beretania Street  
Honolulu, Hawaii 96813

Chair Chris Lee  
Vice Chair Joy A. San Buenaventura  
Committee on Judiciary  
415 South Beretania Street  
Honolulu, Hawaii 96813

Re: SB 2425 SD1 SUPPORT

Dear Chairs Takumi and Lee, Vice-Chairs Ichiyama and San Buenaventura, and Committee Members:

The Community Associations Institute ("CAI") supports SB 2425 SD1. Alternative dispute resolution is an important tool for maintaining productive and well-functioning condominium associations.

Support for the mediation, and the voluntary arbitration of, condominium related disputes has been facilitated by the enactments that SB 2425 SD1 will keep in effect. It is appropriate to maintain those enactments on a permanent basis.

CAI respectfully requests the Committee to pass SB 2425 SD1.

Very truly yours,

*Philip Nerney*

Philip Nerney

**SB-2425-SD-1**

Submitted on: 3/10/2020 6:48:26 PM

Testimony for CPC on 3/12/2020 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Mike Golojuch, Sr.	Palehua Townhouse Association	Support	No

Comments:

Our organization strongly supports SB2425.

Mike Golojuch, Sr.

**SB-2425-SD-1**

Submitted on: 3/10/2020 1:58:21 PM

Testimony for CPC on 3/12/2020 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Richard Emery	Associa	Support	No

Comments:

This will allow quality provisions under the law to continue by eliminating the sunset provisions.

**SB-2425-SD-1**

Submitted on: 3/11/2020 8:13:16 AM

Testimony for CPC on 3/12/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Amelia Sumner	CONDOMINIUMS	Support	No

Comments:

Chair Takumi, Vice Chair Ichiyama, and Members of the Committee,

I **SUPPORT** SB 2425 SD1 relating to CONDOMINIUMS.

While there are additional improvements to the Mediation & Arbitration process that still need to be improved upon, the current Bill is an improvement over the previous process.

Hawai'i has more successful lawsuits against Board Members than any state in the nation. With **no due process** built into Condominium self-governance, Mediation and Arbitration can be the only time that an Owner even has the chance to tell their side of the story. Encouraging Boards to talk to Owner's in Alternate Dispute Resolution settings will at a minimum assist the resolution of disagreements without the unproportionate financial and time burden upon the Owner of filing a lawsuit in the hopes of having any type of due process.

Thank you for the opportunity to testify.

**SB-2425-SD-1**

Submitted on: 3/10/2020 2:45:13 PM

Testimony for CPC on 3/12/2020 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Naomi Hokama	Individual	Support	No

Comments:

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Thank you for the opportunity to testify.

**SB-2425-SD-1**

Submitted on: 3/10/2020 3:09:29 PM

Testimony for CPC on 3/12/2020 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
East Pereira	Individual	Support	No

Comments:

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**SB-2425-SD-1**

Submitted on: 3/10/2020 3:24:48 PM

Testimony for CPC on 3/12/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Sheila Young-Pereira	Individual	Support	No

Comments:

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Thank you for the opportunity to testify.



**SB-2425-SD-1**

Submitted on: 3/10/2020 9:12:08 PM

Testimony for CPC on 3/12/2020 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lana	Individual	Support	No

Comments:

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Thank you for the opportunity to testify.

**SB-2425-SD-1**

Submitted on: 3/11/2020 12:47:03 AM

Testimony for CPC on 3/12/2020 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jeff Sadino	Individual	Support	No

Comments:

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Thank you for the opportunity to testify,

Jeff Sadino

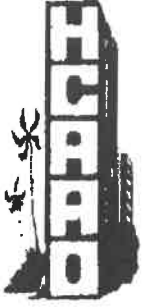
**SB-2425-SD-1**

Submitted on: 3/11/2020 1:34:18 PM

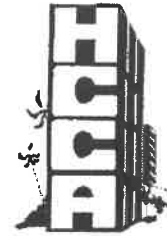
Testimony for CPC on 3/12/2020 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Leimomi Khan	Individual	Support	No

Comments:



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



March 11, 2020

Rep. Roy Takumi, Chair  
Rep. Linda Ichiyama, Vice-Chair  
House Committee on Consumer Protection & Commerce

Rep. Chris Lee, Chair  
Rep. Joy San Buenaventura, Vice-Chair  
House Committee on Judiciary

Re: Testimony in support of  
SB2425 SD1 RELATING TO CONDOMINIUMS  
Hearing: Thursday, March 12, 2020, 2 p.m., Conf. Rm. #329

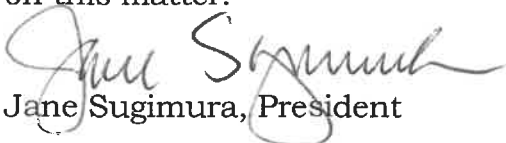
Chairs Takumi and Lee and Vice-Chairs Ichiyama and San Buenaventura and Members of the Joint-Committee:

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

HCCA supports this bill for the following reasons:

- HCCA strongly supported passage of HB1874 HD1SD2 CD1, which was enacted as Act 196 on July 10, 2018, which expanded mediation and arbitration remedies available to and for condominium associations, their owners, Board members and managing agents.
- As a result of the passage of Act 196, associations have had (i) additional remedies to address dispute resolution between and among unit owners, board members and their managing agents and (ii) access to the condo-education fund to subsidize those remedies.
- The Act has been in effect for more than 1 year and HCCA has not heard concerns relating to its implement or enforcement.

For these reasons, HCCA believes that the sunset provision that will become effective on 6/30/2023 in the bill is unnecessary and should be removed. Accordingly, HCCA respectfully requests that you pass out this bill. Thank you for the opportunity to testify on this matter.

  
Jane Sugimura, President