

**HB-252**

Submitted on: 2/6/2025 8:04:20 PM

Testimony for HSG on 2/12/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
HCCA	Hawaii Council of Community Associations	Support	Written Testimony Only

Comments:

Hawaii Council of Community Associations support the intent of the bill, however, we oppose the height requirement.

Condominium Associations include many lowrise buildings and townhouses that are typically 2 stories in height.

They all share the same maintenance and repair issues as a taller building.

We suggest changing the height requirement to a building of 4 or more units.

Thank you for allowing the submission of testimony for HB252

Jane Sugimura, President, Hawaii Council of Community Associations

**Testimony of the Hawai'i Real Estate Commission**

**Before the  
House Committee on Housing  
Wednesday, February 12, 2025  
9:00 a.m.**

**Conference Room 403 and Videoconference**

**On the following measure:  
H.B. 252, RELATING TO MANAGING AGENTS**

Chair Evslin and Members of the Committee:

My name is Derrick Yamane, and I am the Chairperson of the Hawai'i Real Estate Commission (Commission). The Commission offers comments on this bill.

The purpose of this bill is to require managing agents for residential condominium properties over seventy-five feet in height to have commercial property management experience.

The Commission has concerns that this bill, as drafted, does not: (1) specify a minimum duration of months or years of commercial property management experience required to satisfy proposed requirement; and (2) provide a definition for "commercial property management." Broadly interpreted, commercial property management could range from managing office buildings, retail spaces, shopping centers, to industrial warehouses. As such, the Commission anticipates difficulties enforcing the proposed experience requirement as it is unclear to ascertain whether a managing agent satisfies the proposed qualifications. Residential condominium properties that exceed seventy-five feet in height may also face similar difficulties when contracting with a managing agent.

To address the concerns raised in this bill, the Commission respectfully suggests consideration be given to Act 43, SLH 2024, which appropriated funds from State general revenues and the Condominium Education Trust Fund for the Legislative Reference Bureau (LRB) to study how other jurisdictions handle similar issues involving condominiums. The scope of the LRB study particularly examines the strengths and weaknesses of other states' approaches to governmental regulation and enforcement of condominium operations and governance, including licensing requirements for individuals involved in the management of condominiums. Along with the study, the

Testimony of the Hawai'i Real Estate Commission

H.B. 252

Page 2 of 2

Condominium Property Regime Task Force, established by Act 189, SLH 2023, is subsequently tasked with submitting to the Legislature a final report of its findings on issues regarding condominiums, including any recommended legislation, no later than June 30, 2026.

Thank you for the opportunity to testify on this bill.

HAWAII LEGISLATIVE  
ACTION COMMITTEE

  
**community**  
ASSOCIATIONS INSTITUTE

P.O. Box 976  
Honolulu, Hawaii 96808

Honorable Luke A. Evslin  
Honorable Tyson K. Miyake  
Committee on Housing  
415 South Beretania Street  
Honolulu, Hawaii 96813

Re: **HB 252 (Oppose)**

Dear Chair Evslin, Vice Chair Miyake and Committee Members:

The Community Associations Institute (CAI) is a national and statewide organization of individuals involved in the operation of community associations, including homeowners, directors, managers and business partners of community associations.

For the following reasons, CAI respectfully opposes this bill.

**I. We Want Our Condominium Communities to be Well-Run, but this Bill is a Misguided Effort**

As an organization that advocates for consumers and communities, CAI wants Hawaii's condominium communities to be well-run. Unfortunately, this bill does not accomplish that, and it will hurt consumers by severely limiting the number of condominium managing agents available in Hawaii.

Proponents argue that there is a need for training for managing agents. To the extent that there is a need for training among managing agents, national industry organizations such as CAI provide significant trainings and credentialing. In any event, there is a distinct difference between a need for training versus a need for "commercial experience." Therefore this bill is, respectfully, a misguided effort.

**II. Commercial Property Management Differs Greatly from Residential Condominium Management**

Commercial property management and residential condominium

management differ greatly.

For residential condominium management, the managing agent serves essentially as the business administrator of the condominium and assists with compliance with the myriad requirements of HRS chapter 514B. They collect maintenance fees, facilitate board meetings, enforce the house rules, send out notices, conduct annual owner meetings, mail out proxies, assemble an annual budget, and arrange for reserve studies to be completed.

However, commercial property managers operate differently, and commercial properties are much less regulated than residential condominiums. Usually, commercial property managers only have to report to one owner who makes all decisions. They do not need to facilitate annual meetings, conduct reserve studies or assemble annual budgets or ensure compliance with HRS Chapter 514B.

Accordingly, because commercial property management is so different, requiring commercial management experience would not add to the quality of property management services provided by condominium managing agents.

### **III. Managing Agents are Well Trained under Industry Standards**

Condominium managing agents already undergo thorough training through industry organizations. They are trained in all aspects of administering the condominium, including the responsibilities described above, as well as facilitating capital projects, plumbing repairs, spalling, and other maintenance issues. There is nothing that having commercial property management experience would add.

CAI itself provides educations and professional credentials, which can be viewed here: <https://www.caionline.org/professional-credentials/>

### **IV. The Harmful Effects of the Bill**

Lastly, this bill would hurt many of Hawaii's residents. Around 400,000 Hawaii residents live in condominiums. This bill would severely curtail the number of managing agents who are available to assist condominium boards with the management of the property. Such a sharp reduction in managing agents would lead to poor

Honorable Luke A. Evslin  
Honorable Tyson K. Miyake  
February 8, 2025  
Page 3

management of condominiums. This bill would operate only to the detriment of the consumer.

In the February 5, 2025 hearing on this bill's companion bill, SB 801, before the Senate Committee on Commerce and Consumer Protection, Senator McKelvey expressed grave concern about this issue.

Thank you for your time and consideration. If you have any questions, I will be available to answer them.

Very truly yours,

/s/ Dallas H. Walker

Dallas Walker, Esq.  
The Hawaii Legislative  
Action Committee of the  
Community Associations  
Institute



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February 12, 2025

**The Honorable Luke A. Evslin, Chair**

House Committee on Housing

State Capitol, Conference Room 430 & Videoconference

**RE: House Bill 252, Relating to Managing Agents**

**HEARING: Wednesday, February 12, 2025, at 9:00 a.m.**

Aloha Chair Evslin, Vice Chair Miyake, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR **supports the intent** of House Bill 252, which requires managing agents for residential condominium properties over seventy-five feet in height to have commercial property management experience.

Residential high-rise condominium properties have complex operational, safety, and financial management needs similar to commercial buildings. Additionally, these condominiums may also have space available to lease to other commercial businesses as well. Volunteer condominium board members rely on managing agents that they hire to navigate these challenges effectively. As such, requiring managing agents to have commercial property management experience may help to ensure these properties are managed efficiently and responsibly.

HAR would note that the requirement for managing agents to have commercial property management experience may need further clarification to provide clear guidance for condominium boards.

Mahalo for the opportunity to provide testimony on this measure.



**HB-252**

Submitted on: 2/6/2025 7:51:28 PM

Testimony for HSG on 2/12/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Raelene Tenno	Individual	Support	Written Testimony Only

Comments:

I am supportive of Property Managers to have Commercial Management experience. However, it should not be limited to a building height requirement.

I own a unit in a 4 story walk up of 64 units built in 1960. We have the same maintenance repairs as a taller building, the same problems with residents, the same problems with employees. And Townhouses are typically 2 story and multiple buildings,

Please amend the bill to delete the building height to all buildings of 4 units or more.

Thank you for this opportunity to submit testimony.



**HB-252**

Submitted on: 2/7/2025 1:41:09 PM

Testimony for HSG on 2/12/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jessica Herzog	Individual	Oppose	Written Testimony Only

Comments:

**Testimony in Opposition to HB252 - Managing Agents for Condominiums**

Aloha Honorable Members of the Committee,

My name is Jessica Herzog, a dedicated condominium owner, board member, and advocate for fair housing practices in Hawaii. I also serves as a Planning Commissioner in Catalina Island, CA or 7 years and thank you all for your service. I know what a thankless job this is and how it is truly impossibility to please everyone. However, I ask you to remember that the “industry” is always geared to look out for itself. We the People, nee YOU as our protectors in this arena. So, I offer you this testimony to express my strong opposition to HB252 in its current form and to propose crucial amendments that I believe are essential for protecting condominium owners from the significant risks associated with poorly managed properties.

**Background and Personal Experience:** Through my unfortunate experience with financial mismanagement within my own condominium association, where a staggering \$333,000 was embezzled in under two years, I have firsthand knowledge of the profound impact that inadequate managerial oversight can have on homeowners. The fallout extended far beyond the initial theft; our association suffered from non-performance of contracted duties that led to significant financial losses, including lost interest income on funds inappropriately managed based on our managing agent's directives. Additionally, our complex was left in a state of mismanagement that plunged our property into disrepair—a situation from which we are still struggling to recover. Even after changing management companies, the challenges persist, with some hardworking board members facing continuous headaches and no substantial improvements. This ongoing ordeal underscores the critical need for stringent licensing and robust oversight of all managing agents to prevent such devastating consequences for other condo owners.

**The Broken System:** I implore you to take this issue more seriously than those who have come before you. The lack of support from the government – who is our only hope for resolution, drives many good citizens to the brink of madness or exhaustion, to the point where they simply give up because the industry is overwhelmingly powerful. They wear us down until we leave, only for fresh victims to purchase our units.

Personally, I am reaching a critical point of frustration after enduring retaliatory actions and damaging false allegations from fellow board members in our public meetings. Some individuals

have consistently ignored significant breaches of contract, influenced by longstanding industry advice that I believe has not served our community's best interests. Regrettably, purchasing my condo has brought challenges and stress that I would never have agreed to, and my financial circumstances make it impossible for me to consider alternative housing options. So, I am here begging for YOUR action to fix a very broken system.

**To be frank, the existing structure of management companies poses a significant risk.** No single entity should have the dual role of banker and manager, operating with only their internal controls as checks and balances. The crucial accounting functions should be entrusted to licensed professionals, independent of these large management entities, which should not control the funds of multiple associations. This ongoing ordeal underscores the critical need for stringent licensing and robust oversight of all managing agents to prevent such devastating consequences for other condo owners.

**Current Gaps in HB252:** While HB252 takes a step towards requiring managing agents for residential condominium properties over seventy-five feet to have commercial property management experience, it falls short in several key areas:

1. **Lack of Comprehensive Licensing Requirements:** The bill does not mandate that all managing agents be licensed, leaving a significant portion of condominiums vulnerable to mismanagement.
2. **Insufficient Oversight and Accountability:** There is no requirement for these agents to be deemed mandated reporters who would face penalties for failing to intervene in cases of civil or criminal offenses.

**Proposed Amendments:** To truly protect condominium owners and ensure the integrity of our living communities, I propose the following amendments to HB252:

1. **Mandatory Licensing for All Managing Agents:** Expand the scope of the bill to require that all managing agents, regardless of the size of the property they manage, be licensed and subject to regular reviews. **They are paid advisors and should earn that paycheck by having an education to do the job properly!**
2. **Establishment of a State HOA Office:** In addition to the repeated proposed creation of an Ombudsman's Office, establish a State HOA Office under the Consumer Protection Division of the Attorney General's Office with the authority to fine, sanction, or remove managing agents or board members who engage in fraudulent or dishonest practices.

**The Need for Comprehensive Reform:** The changes I propose are not merely bureaucratic adjustments; they are essential measures to safeguard the financial and personal well-being of thousands of condominium owners across the state. Without these reforms, we risk perpetuating a system that allows for exploitation and mismanagement, undermining the stability and security of our homes.

I urge the committee to consider these amendments seriously and to recognize the urgent need for comprehensive legislative reform in condominium management. By strengthening the requirements and oversight for managing agents, we can provide a safer, more stable living

environment for all condominium residents in Hawaii until we can sort out a better overarching legal framework under which the industry will be held accountable to the owners they serve.

Thank you for your attention to this critical matter.

**Mahalo nui loa,**

Jessica Herzog  
Condo Owner, Oahu  
mssc403@gmail.com  
707.340.5786

30+ condo owners signed on at the start of this legislative session to ask you for your support, learn more here: [www.leewardrepair.com/condo](http://www.leewardrepair.com/condo)

**HB-252**

Submitted on: 2/7/2025 8:43:36 PM

Testimony for HSG on 2/12/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Miri Yi	Individual	Support	Written Testimony Only

Comments:

RELATING TO MANAGING AGENTS.

Requires managing agents for residential condominium properties over seventy-five feet in height to have commercial property management experience

**Testimony in Support of HB 252**

Aloha Committee Chairs and Members,

My name is Miri Yi, and I am a condominium owner submitting testimony **in strong support** of HB 252, which seeks to ensure that property managers overseeing residential condominium properties over seventy-five feet in height are properly licensed and experienced.

I appreciate the intent of this bill; however, I respectfully request that the committee consider expanding its scope to include additional safeguards that will enhance the professionalism and accountability of property management personnel. Specifically, I recommend the following:

1. **Annual Criminal Background Checks** – All property management candidates, including those from property management agencies, should be required to pass an annual criminal background check. Property managers have access to residents’ personally identifiable information (PII) and protected health information (PHI), making it imperative that individuals in these positions undergo regular vetting.
2. **Accredited Educational Requirements** – Licensure for property managers should be obtained through accredited educational institutions rather than organizations that merely claim to be professional community association institutions. Proper training in data management, cybersecurity, and compliance with Hawaii Revised Statutes (HRS) is essential for safeguarding resident information and ensuring competent property oversight.

The necessity for these measures is underscored by my personal experience. At my condominium, we have seen over twenty resident and site managers come and go in less than a decade. With each turnover, vital building and resident data have been lost, misplaced, or erased. Additionally, individuals with prior felony criminal convictions are allowed to serve in advisory roles to the board of directors—gaining access to residents’ personal information, overseeing

hiring/firing, contractor bidding and implementation decisions, participating in executive sessions and more.

Further concerns include:

- **Selective enforcement of rules**
- **The hiring of unlicensed contractors**
- **Refusal to provide essential records**, such as plumbing drawings, contractor licensure and insurance certificates, and contract details
- **Lack of responsiveness** to owner inquiries and requests for information

These issues are not limited property management agencies and their representatives, but extend to individual site managers and on-site/on-call staff/vendors. A serious deficiency in adherence to HRS and best practices persists, leaving residents vulnerable to mismanagement and misconduct.

Requiring property management professionals to meet higher standards—including **background checks, accredited education, and stronger regulatory compliance**—will lead to **better protection for residents, improved property oversight, and increased accountability** for those entrusted with managing our communities.

**Please take a look at some of the property management agency job ads, which do not require any certification, accreditation or degree/diploma:**

**[Associa Jobs:](#)**

[indeed.com/jobs?q=associa&l=honolulu%2C+hi&radius=100&vjk=88fa890c5794ff3a](https://www.indeed.com/jobs?q=associa&l=honolulu%2C+hi&radius=100&vjk=88fa890c5794ff3a)

**[Hawaiian Properties Jobs:](#)**

[indeed.com/jobs?q=hawaiian+properties&l=honolulu%2C+hi&radius=100&vjk=759f6eaa25ec4841](https://www.indeed.com/jobs?q=hawaiian+properties&l=honolulu%2C+hi&radius=100&vjk=759f6eaa25ec4841)

**[Touchstone Jobs:](#)**

[indeed.com/jobs?q=touchstone&l=honolulu%2C+hi&radius=100&vjk=7bccd48716517cbb](https://www.indeed.com/jobs?q=touchstone&l=honolulu%2C+hi&radius=100&vjk=7bccd48716517cbb)

**There are many professions in Hawaii which require certifications, degrees, accreditations and relevant experience, and have many unfilled openings. Should we remove the qualification requirements just to fill these positions?**

I urge the committee to please consider these enhancements to Hb 252 and thank you for your time and attention to this critical issue.

**Very Respectfully,**

Miri Yi

House of Representatives  
The Thirty-Third Legislative  
Regular Session of 2025

Committee on Housing  
Rep Luke A Evslin, Chair  
Representative Tyson K Miyake, Vice Chair  
Committee Members

Notice of Hearing, Wednesday, February 12, 2025, Conference Room 430

To: Rep Luke Evslin, Chair Rep Tyson Miyake and members of of the committee

My name is Lourdes Scheibert a condominium owner advocating for property owners' rights since 2014.

**I oppose HB252** for the following:

*"...The legislature recognizes that residential high-rise properties are subject to the same structural standards as commercial buildings concerning repairs, maintenance, and reserve requirements. However, the expertise and experience of volunteer board members of Association of Apartment Owners (AOAO) are not comparable to those of professional property management companies overseeing commercial buildings.*

*Additionally, current legal requirements for managing agents do not adequately protect AOAO board members and unit owners from incompetence, negligence, or lack of property management experience. At present, managing agents are only required to be licensed real estate brokers, with no mandatory qualifications in commercial property management. This gap in requirements exposes AOAO board members to potential losses from fraud, misrepresentation, or mismanagement by managing agents and their employees..."*

### **Board Members Should Be Held Accountable Just as Managing Agents**

While managing agents are often criticized for their role in property management, volunteer board members must also be held to higher standards of accountability. Many board members fail to educate themselves on their responsibilities, neglect to review meeting materials, and make uninformed decisions that affect the entire community. This lack of preparation and governance creates a divide between informed board members and those who prioritize personal interests over fiduciary duty.

The **Business Judgment Rule**, which emphasizes relying on expert opinions for decision-making, is frequently ignored. Some boards refuse to invest in professional advice, leading to decisions based on opinion rather than expertise. While managing

agents can provide guidance, boards have the authority to reject it—sometimes to the detriment of the association.

## **Conclusion and Recommendations**

The language used to describe managing agents may seem harsh, but similar criticisms apply to certain board members who prioritize personal agendas over their fiduciary responsibilities. However, not all managing agents or board members fall into these categories.

To improve governance, legislation such as HB252, HB591, and SB801 should be amended to hold volunteer board members accountable as well. A key solution would be to mandate education for both board members and managing agents to ensure informed decision-making. Additionally, eliminating proxy voting as a tool for board control could help prevent "ballot harvesting," which entrenches incumbents and favors specific agendas.

The Business Judgment Rule should be emphasized to ensure decisions are based on expert advice rather than personal opinions. There should also be a review of HRS 514B-106(a) and HRS 414D-149(a), which require directors to prioritize the association's interests over their own. Currently, if a board member has evidence that a board decision violates safety codes, there is no clear mechanism for rectification beyond costly mediation. A more accessible resolution process is needed to protect the association from unsafe conditions and poor governance. A Condominium Ombudsman should be established through the 514B-73 Condominium Education Trust Fund. The Ombudsman's office should include a condominium specialist and a licensed engineer to assist before mediation.

For your awareness my 1968 Declaration, which states:

*"...(b) Observance of Laws: Maintain all common elements in a strictly clean and sanitary condition and comply with all laws, ordinances, rules, and regulations, whether existing or future, enacted by any governmental authority applicable to the common elements or their use..."*

You might expect both management and board members to take the time to educate themselves through the Real Estate Commission programs available, 514B-73 Condominium Education Trust Fund.

Sincerely,  
Lourdes Scheibert  
920 Ward Ave  
Honolulu, Hawaii 96814

# LAW OFFICES OF PHILIP S. NERNEY, LLLC

A LIMITED LIABILITY LAW COMPANY  
335 MERCHANT STREET, #1534, HONOLULU, HAWAII 96806  
PHONE: 808 537-1777

February 8, 2025

Honorable Luke A. Evslin  
Honorable Tyson K. Miyake  
Committee on Housing  
415 South Beretania Street  
Honolulu, Hawaii 96813

Re: **HB 252 OPPOSE**

Dear Chair Evslin, Vice Chair Miyake and Committee Members:

Section 1 of HB 252 contains findings for which support is absent. The bill simply assumes the predicate of its conclusion.

There should be a well-established factual basis for something like HB 252. Where is it?

HB 252 does not describe in what way commercial property management experience correlates to the putative harm or in what way the requirement of commercial property management experience would remedy the hypothesized risk. Even if such a correlation might somehow be established, empirically, in the future, the fact remains that the management of condominiums differs from the management of commercial property. Having commercial property management experience does not *per se* qualify a person to manage a condominium.

If the concern animating HB 252 is that those who manage condominiums should know how to do so, then the Committee is respectfully requested to take note that industry certifications attend to that concern. See, e.g.:

<https://www.caionline.org/professional-credentials/>

Please, therefore, defer HB 252.<sup>1</sup>

Very truly yours,



Philip S. Nerney

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<sup>1</sup> This is personal testimony. For reference, though, please note that I chair the CAI Legislative Action Committee and I also chair the Condominium Property Regime Task Force created by Act 189 (2023).



**HB-252**

Submitted on: 2/8/2025 3:31:04 PM

Testimony for HSG on 2/12/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Richard Emery	Individual	Oppose	Written Testimony Only

Comments:

For decades residential condominium managers have training that includes building maintenance and reserve studies that have been offered through condominium industry organizations. On the other hand, commercial training programs have no training on condominiums. Current Managers (and companies training employees) have spent thousands of dollars and thousands of hours earning condominium management certifications. There is no relationship to condominium management and commercial management although some of the training may be similar. There is no basis for this Bill, and it will only turn the industry upside down with insufficient managers to guide Boards in the 2,183 Hawaii condominium associations with no apparent purpose or value. I oppose HB252.

**HB-252**

Submitted on: 2/8/2025 8:47:55 PM

Testimony for HSG on 2/12/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jane Finstrom	Individual	Oppose	Written Testimony Only

Comments:

Testimony in Opposition to HB252 - Managing Agents for Condominiums

Aloha Honorable Legislators, Members of the Committee,

My name is Jane Finstrom, a resident and condominium owner at Makaha Valley Plantation, a community of 572 units. Today, I express my concerns regarding HB252, which mandates commercial property management experience for managing agents in residential condominium properties over seventy-five feet. Unfortunately, this bill does not encompass smaller, low-rise condominiums like ours, creating a disparity in the protections afforded to condominium owners across different types of properties.

Makaha Valley Plantation, while not a high-rise, faces similar managerial challenges and risks as those properties the bill seeks to regulate. The exclusion of low-rise buildings from this bill suggests a lack of uniform protection for all condominium owners, potentially leading to unequal enforcement of the law. This disparate treatment does not align with the principles of fairness and equality under the law, and needs correction.

Our community, while smaller in stature, requires the same level of expertise and ethical management as any high-rise. The challenges of managing a condominium do not diminish with the height of the building. Managers of all condominiums should be held to the same standards to prevent mismanagement and ensure the financial and structural well-being of the properties.

Proposed Amendments:

1. **Expand Coverage to Include All Condominiums:** Amend HB252 to include managing agents of all condominiums, regardless of height, to ensure that every condominium owner in Hawaii receives equal protection and management oversight.
2. **Mandated Licensing and Education:** All managing agents should be required to obtain a license and undergo continuous education to handle the complexities of condominium management effectively. This should not be limited only to those managing taller structures.

As a committed member of my community, I urge the committee to reconsider the limitations of HB252 and to amend it to provide comprehensive coverage that includes all condominiums. It is essential that we strive for legislation that uniformly protects all condominium owners to maintain the integrity and safety of our living environments.

Thank you for considering my perspective on this crucial issue.

Jane Finstrom  
Condo Owner, Makaha Valley Plantation

**HB-252**

Submitted on: 2/9/2025 1:33:09 PM

Testimony for HSG on 2/12/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kitrick Kelly	Individual	Oppose	Written Testimony Only

Comments:

Aloha Legislators,

My name is Kitrick Kelly, and I have been reaching out to all Hawaii Legislators for this 2025 session to request you hear the plea of the owners suffering in condos across the State. I am a resident at a low-rise condominium in Hawaii with 454 units. I am writing to express my **conditional support** for HB252, with a strong recommendation for an amendment to include all condominium complexes, regardless of their size or height, under this legislation.

**Equal Protection Under the Law:** It is imperative that all condominium managing agents, regardless of the condominium size they manage, be subject to the same licensing requirements. The current bill's stipulation that only managing agents for residential condominium properties over seventy-five feet are required to have commercial property management experience creates a disparity that leaves many homeowners, like myself, without the same level of protection and oversight. This selective enforcement introduces a divide among condominium residents and can be seen as providing unequal protection under the law.

**Licensing for All Managing Agents:** Professional responsibilities should not vary based on the physical characteristics of the properties being managed. The potential for financial mismanagement or contractual breaches exists across all types of condominiums. Therefore, licensing for managing agents should be universal, ensuring that every condominium owner receives the same standard of care and expertise from their managing agents.

**Necessity for Comprehensive Coverage:** By excluding smaller or lower complexes from these requirements, the legislation fails to acknowledge the shared risks and needs of all condominium communities. All residents deserve to have a licensed, trained professional managing their property to safeguard against mismanagement and financial discrepancies.

In conclusion, I urge the committee to amend HB252 to include licensing requirements for all condominium managing agents, **ensuring that every condominium resident in Hawaii is afforded the same protections**. This adjustment will not only enhance the integrity of condominium management across the state but also ensure that all residents have equal rights and protections under this law.

Thank you for considering my perspective on this critical issue.

Sincerely,

Kitrick Kelly  
Condo Owner, Waianae  
Disabled Veteran

**HB-252**

Submitted on: 2/9/2025 4:02:01 PM

Testimony for HSG on 2/12/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lou Salter	Individual	Oppose	Written Testimony Only

Comments:

**Statement of Conditional Support with Recommendations for HB252**

Aloha Esteemed Committee Members,

I am Lou Salter, a retired teacher, a concerned senior, and owner at Makaha Surfside. As a retiree, I've experienced firsthand the financial and emotional toll of inadequate property management, which has compelled me to advocate for changes to ensure no one else endures similar hardships. I cannot support HB252 as written - but with significant amendments to make it more inclusive and effective it would be a worthy bill.

My community has suffered due to the lack of effective oversight on our management company. The consequences of their mismanagement were severe, allowing internal embezzlement that cost our association dearly—not just in lost funds, but in the decline of our property's condition. As a result, I've considered selling my home, a decision fraught with financial difficulties exacerbated by the mismanagement that has diminished our property values.

**Need for Licensing:** It's disheartening that the proposed legislation does not protect all condominium residents equally. HB252 attempts to exclude smaller properties from its scope, which means many, including myself, do not benefit from the protections it offers. This bill must be amended to require licensing for all managing agents, regardless of the size of the property they manage, ensuring that every resident receives equal protection.

**Proposal for Comprehensive Reform:**

- Expand Licensing Requirements:** Include all managing agents in the licensing mandate to prevent potential financial mismanagement across all condominiums, large and small.
- Establish an Independent Oversight Authority:** I am part of the group of owners who sent you letters at the start of this season, proposing the creation of a State HOA Office within the Consumer Protection Division of the Attorney General's Office. This office would have the authority to hold managing agents accountable, offering a recourse for homeowners like me who have nowhere else to turn but our own life savings and civil courts.
- Enhanced Communication Requirements:** Require managing agents to provide electronic and mailed notices to all owners, not just posted notices, to ensure that all residents, especially those who may not be on-site, are fully informed.

**Conclusion:** The passage of HB252 in its current form would perpetuate a system that has already failed many of us. By amending it to include these recommendations, you will help protect not just the current homeowners but future generations as well. Please consider these necessary changes to foster a fair, accountable, and transparent environment for all condominium residents in Hawaii.

Thank you for your time and for considering my plea for a more equitable and just management system.

Warm regards,

Lou Salter  
Condo Owner, Makaha Surfside

**House of Representatives  
The Thirty-Third Legislature  
Committee on Housing  
Wednesday, February 12, 2025  
9:00 a.m.**

To: Representative Luke A. Evslin, Chair  
Re: HB 252, Relating to Managing Agents

Aloha Chair Luke A. Evslin, Vice-Chair Tyson K. Miyake, and Members of the Committee,

Today, I testify as the nexus of many grassroots coalitions of property owners who own and/or reside in associations throughout Hawaii. I have owned and lived in condominiums for over 45 years and have served as an officer on three condominium associations' boards. You may know me as president emerita of Kokua Council, one of Hawaii's oldest advocacy groups which has continuously served our State since 1972, and former director of the board of the Hawaii Alliance for Retired Americans, with a local membership of over 20,000 retirees.

Former House Speaker Scott Saiki nominated me, and I was selected to participate in the Condominium Property Regime Task Force established by Act 189, Session Laws of Hawaii 2023. It was my hope that the Task Force's work would be meaningful because the State's focus on affordable housing to attract and retain skilled workers who are essential to the health of our community, magnifies the importance of improving condominium association governance.

Without those improvements, the development of additional condominium housing will be flawed because prospective purchasers, including those whom the government hopes to retain or attract, will be unable to afford escalating costs caused by the mismanagement and misgovernance of existing condominium associations.

On November 2, 2023, Dathan Choy, Condo Specialist with DCCA, reported in an email that there are roughly a quarter of a million condominium units in Hawaii. Similar data is unavailable for planned community associations and cooperative housing corporations because they are not required to register with the State. However, in their most recent report available online, The Foundation for Community Association Research reported that 30% of the U.S. population reside in community associations,<sup>1</sup> amplifying the significance of common interest communities, their management, and governance.

A common interest community association is usually governed by a board of directors, but those directors are typically volunteers with limited time and without the expertise necessary to properly run the association's business. Consequently, most associations retain the services of managers who, for compensation, implement the association's governing documents which govern the operations of the association, oversee the common elements of the association,

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<sup>1</sup> <https://foundation.caionline.org/wp-content/uploads/2024/01/2023StatsReviewDigital-002.pdf>



administer the financial aspects of the association including contracts with third party providers of goods and services utilized by the association, and advise, supervise, and direct association activities.

Currently in Hawaii, individual common interest community association managers are **not** required to fulfill any educational or skill requirements and are not required to be licensed although the magnitude of their responsibilities demands accountability.

In Hawaii, only one person from every management agent (i.e., management company) is required to be licensed and is licensed as a real estate broker whose education requirements are inadequate for the needs of a professional association manager.

**This scarcity of licensed managers and the type of licenses they hold are significant to the health and safety of Hawaii’s common interest community associations.**

Commercial property management<sup>2</sup> experience should be demanded for the safety of residents and owners of common interest communities; however, licensure should also be demanded to ensure accountability. That licensure should not be as real estate brokers for the reasons explained below. Instead, licensure of individual managing agents, with relevant educational requirements, should be as **community association managers**.

Many of the existing problems with association management and governance are systemic, built into the Hawaii Revised Statutes causing confusion and conflict, and creating opportunities to bypass the very rules that are presumed to provide consumers with accountability and protection. For instance, HRS 514B<sup>3</sup>:

“514B-3 Definitions:

"Managing agent" means any person retained, as an independent contractor, for the purpose of managing the operation of the property.

“Person” means an individual, firm, corporation, partnership, association, trust, or other legal entity, or any combination thereof.

514B-132 Managing agents.

(a) Every managing agent shall:

(1) Be a:

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<sup>2</sup> While some may reject education in “commercial property management” as inappropriate for residential condominiums, the insurance industry and the City and County of Honolulu’s Department of Planning and Permitting, in consideration of the physical aspects of condominium projects, have determined that condominiums are commercial properties.

<sup>3</sup> [https://www.capitol.hawaii.gov/hrscurrent/vol12\\_ch0501-0588/hrs0514b/hrs\\_0514b-.htm](https://www.capitol.hawaii.gov/hrscurrent/vol12_ch0501-0588/hrs0514b/hrs_0514b-.htm)

(A) Licensed real estate broker in compliance with chapter 467 and the rules of the commission. With respect to any requirement for a corporate managing agent in any declaration or bylaws recorded before July 1, 2006, any managing agent organized as a limited liability company shall be deemed to be organized as a corporation for the purposes of this paragraph, unless the declaration or bylaws are expressly amended after July 1, 2006 to require that the managing agent be organized as a corporation and not as a limited liability company; or

(B) Corporation authorized to do business under article 8 of chapter 412...

(d) The registration requirements of this section shall **not** apply to active real estate brokers in compliance with and licensed under chapter 467.”

Those definitions are consistent with DCCA’s instructions for Condominium Managing Agent Registration<sup>4</sup>:

“[t]he registration requirements do not apply to condominium managing agents who are licensed active real estate brokers and who manage the operation of the property,”

but conflicts with the registration instructions for the completion of an association’s biennial registration that states,

“**Condominium Managing Agent** [CMA] refers to a managing agent currently licensed as a real estate broker in the state of Hawaii providing for the operation of the condominium project or a corporation authorized to do business as a trust company under HRS Chapter 412, Article 8, and *registered* with the Real Estate Commission as a condominium managing agent,”<sup>5</sup>

and may be a cause of the low condominium association registration numbers in 2024 of 1649 associations<sup>6</sup> that contrasts with Dathan Choy’s estimation of 3411 associations that “would generally be required to register their AOOU.”

Registration of a condominium association provides the government and consumers basic information about the association including transparency about the management of the association. And registration ensures the association that it has legal standing in Court.

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<sup>4</sup> <https://cca.hawaii.gov/reb/files/2017/12/cmaapp.pdf>

<sup>5</sup> <https://aouo.ehawaii.gov/public/instructions.html>

<sup>6</sup> [https://www.capitol.hawaii.gov/sessions/session2025/bills/DC153\\_.PDF](https://www.capitol.hawaii.gov/sessions/session2025/bills/DC153_.PDF)

The most recently available DCCA Fiscal Year 2022-2023 Program Of Work And Budget<sup>7</sup> encourages the Condominium Review Committee to:

“...procure continuing education classes for licensees who specialize in condominium sales, existing condominium board members, and account executives/community managers...[and] distribute informational post cards, electronic copies of chapter 514B, HRS, and Rules to each registered association and *registered* condominium managing agent (“CMA”).”

Further, the DCCA Fiscal Year 2022-2023 Program Of Work And Budget urges the Laws and Rules Review Committee to

“provide educational seminars to boards of directors, unit owners, and CMAs on the purpose of alternative dispute resolution, mediation, and arbitration, as well as providing training to consultants[.]”

Noticeably, **real estate brokers are not mentioned**, potentially allowing noncompliance with regulations, including educational requirements, which protect consumers.

The December 2005 State of Hawaii Auditor’s “Sunrise Analysis: Condominium Association Managers,”<sup>8</sup> stated that “*condominium association manager* is not a title that is commonly used in Hawaii for those who work for managing agents,” and reference to a now unused license designation, Condominium Managing Agent, CMA, was found in the November 1999 issue of the Hawaii Condominium Bulletin; a copy of that page is attached as an addendum to this testimony.

**Thus, the first step in fulfilling the purpose of HB 252 should be to define and name the profession addressed in HB 262 to ensure consistency by government officials (including legislators), DCCA, and relevant Hawaii Revised Statutes such as HRS 514B, HRS 421I, and HRS 421J.**

In 2023, the nationwide association management industry trade group, Community Associations Institute (CAI) had on its website:

“In states that propose mandatory regulation of community association managers, CAI will support a regulatory system that incorporates adequate protections for homeowners, mandatory education and testing on fundamental management knowledge, standards of conduct and appropriate insurance requirements. **CAI opposes the licensing of community association managers as real estate brokers, agents or property managers....**”

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<sup>7</sup> <https://cca.hawaii.gov/reb/files/2023/03/pow22-23.pdf>

<sup>8</sup> <https://files.hawaii.gov/auditor/Reports/2005/05-10.pdf>

By definition, property managers perform facilities management and leasing services – not community association management. Community association managers perform additional/different job functions, requiring different knowledge than that required of real estate brokers, agents or property managers. Any regulation of community association managers as brokers, agents or property managers does not provide community association residents the assurance that these managers have the knowledge and skills required for professional community association management. While licensure of real estate brokers, agents or property managers protects consumers in sales transactions, it does not protect consumers during the ongoing management and operation of community associations...

CAI will support a regulatory system that provides legal recognition of the community association management profession and provides assurances to the public that individuals representing themselves as being involved in the profession have met minimum qualifications for education and/or experience as a community association manager.

**CAI *prefers* the licensure of individual community association manager practitioners as opposed to licensure of management companies...**

To ensure adequate consumer protection and appropriate representation of the community association management profession and to obtain CAI support for the adoption of legislation regulating community association managers, the following provisions must be included in the legislation.

A. Definitions

"Community Association Manager"

If the term "community association manager" is not included or defined properly in legislation, community association managers may be required to become real estate brokers, property managers or members of other professions. "Community Association Managers" must be distinguished from brokers and property managers in any legislation. Sample definitions include:

An individual who, in an advisory capacity, for compensation or in expectation of compensation, whether acting as an independent contractor to, employee of, general manager or executive director of, or agent of a common interest development, provides management or financial services, negotiates an agreement to provide management or financial services, or represents himself or herself to act in the capacity of providing management or financial services to a common interest development.

An individual who may be a partner in a partnership in the capacity to advise and direct the activity of a licensee, or who acts as a principal on behalf of a company that provides management or financial services to a common interest development.

An individual operating under a fictitious business name that provides management or financial services to a common interest development.  
An individual who agrees to provide management or financial services to a common interest development.  
A supervisor of an individual who provides management or financial services to a common interest development.”<sup>9</sup>

Currently, there are only 113 “CAI credentialed professionals”<sup>10</sup> that oversee Hawaii’s vast population of common interest communities. Five (5) of these “credentialed professionals” are companies. The remaining credentialed individuals include resident or general managers, hotel and timeshare companies’ employees, association attorneys, reserve specialists, and insurance specialists.

Less than half of the credentialed individuals are directly affiliated with a “managing agent” and of those, sixteen (16) are individuals at Hawaiiiana Management, sixteen (16) at Associa, ten (10) at Hawaiian Properties, and five (5) at Touchstone Properties, the four largest “managing agents” in Hawaii.

As of the date of this testimony, Hawaiiiana Management’s website states:

“...Hawaiiiana is the largest association management company in Hawaii, with over 750 properties under contract, representing over 120,000 units state-wide...With over 90 Management Executives, 50 Administrative Assistants and 75 Accounting professionals, plus state-of-the-art resources and technology, Hawaiiiana is pleased to provide personal attention and responsive, proactive "service with aloha" to your association.”<sup>11</sup>

Hawaiiiana Management also reports a “\$29 billion portfolio estimation.”<sup>12</sup>

Currently, Hawaiiiana Management has five Real Estate Brokers’ licenses (RB-13476) for each of their offices (Kapiolani Blvd., Kapaa, Kahului, Kailua-Kona, and Kukui Grove). Only two of their employees are licensed as Real Estate Salespersons or Real Estate Brokers,<sup>13</sup> of which one is specifically designated as a Principal Broker. Its CMA license expired at the end of 2002.<sup>14</sup>

Associa Hawaii, continues to be licensed as “Certified Management Inc” (RB-16152) and has four

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<sup>9</sup> <https://www.caionline.org/Advocacy/PublicPolicies/Pages/Community-Association-Manager-Licensing-Policy.aspx>

<sup>10</sup> <https://www.caionline.org/directory-of-credentialed-professionals/?searchText=&state=HI&credential=&sortDirection=asc&sortBy=lastname&page=12>

<sup>11</sup> <https://hmcmgt.com/about/>

<sup>12</sup> <https://hmcmgt.com/about/>

<sup>13</sup> <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseId=RB-13476-0>

<sup>14</sup> <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseId=CMA-49-0>

licensed offices. Only two of its employees are licensed as Real Estate Brokers, of which one is designated as its Principal Broker.<sup>15</sup> Its CMA license expired in 2002.<sup>16</sup>

Richard Emery, then-Vice President of Government Affairs for Associa, in an August 18, 2016, ThinkTech Condo Insider program said that his firm managed over \$100 million in association reserve and operating funds.<sup>17</sup>

Hawaiian Properties, currently reports that they have been in business for 95 years, have 140 employees, and manage 39,739 units of which 37,411 are community association units. They also manage government housing units, rental leases, and vacation rentals.<sup>18</sup>

Hawaiian Properties has Real Estate Brokers' licenses for each of its three offices (RB-8372) and fourteen (14) employees are licensed as Real Estate Salespersons or Real Estate Brokers, including one designated as its Principal Broker.<sup>19</sup> In 2002, their CHO (condominium hotel operator) and CMA licenses expired.<sup>20,21,22</sup>

Despite their many licensed Real Estate Salespersons or Brokers, under the management of Hawaiian Properties, a condominium association alleged over \$300,000 missing from their funds.<sup>23</sup>

Touchstone Properties was founded in 1990 and has a management team with "more than five decades of combined experience"<sup>24</sup> but does not provide measurable details about its association clientele or number of employees. Currently, Touchstone Properties' office is licensed as a Real Estate Broker (RB-15260) and has three employees licensed as Real Estate Salespersons or Real Estate Brokers of which one is designated as the Principal Broker.<sup>25</sup> Its CMA license expired in 2002.<sup>26</sup>

In October 2024, Frontdoor.com,<sup>27</sup> a membership service for home repairs and maintenance needs, conducted a survey and reported that,

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<sup>15</sup> <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseId=RB-16152-0>

<sup>16</sup> <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseId=CMA-169-0>

<sup>17</sup> <http://thinktechhawaii.com/2016/08/19/should-condo-managers-be-licensed/>

<sup>18</sup> <https://www.hawaiianprop.com/>

<sup>19</sup> <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseId=RB-8372-0>

<sup>20</sup> <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseId=CHO-230-0>

<sup>21</sup> <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseId=CHO-31-0>

<sup>22</sup> <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseId=CMA-272-0>

<sup>23</sup> <https://www.civilbeat.org/2023/10/this-waianae-condo-development-has-lost-hundreds-of-thousands-of-dollars-to-embezzlement/>

<sup>24</sup> <https://www.touchstoneproperties-hawaii.com/about-us>

<sup>25</sup> <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseId=RB-15260-0>

<sup>26</sup> <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseId=CMA-139-0>

<sup>27</sup> <https://www.frontdoor.com/blog/real-estate/pros-and-cons-of-hoa-what-homeowners-really-think>

“An HOA [homeowners association] is only as good as its management, and unfortunately, not all are well-run. Poor communication, lack of transparency, or inconsistent enforcement of rules can lead to frustration among homeowners. Mismanagement can create tension in the community and even lower property values, making what should be a benefit a potential drawback.”

**Hawaii’s population of real estate licensed association managers and “credentialed professionals” is dwarfed by the magnitude of their responsibilities and is proportionately minuscule compared to the population of common interest communities.**

Education alone is frail assurance to consumers of the protections that are required.

One of our country’s founding fathers and a drafter of our federal Constitution, Alexander Hamilton, wrote in Federalist #15,

**“If there is no penalty [for] disobedience, the resolutions or commands which pretend to be laws will, in fact, amount to nothing more than advice or recommendation.”**

We should heed his words. There must be accountability.

Management and governance problems persist in common interest communities because there is little or lax oversight enabled by statutes that provide scant enforcement of consumer rights and protections and no effective means for owners to enforce those rights and demand those protections.

Licensure of management as **individual community association manager practitioners** imposes educational standards, provides greater oversight of the profession, and assures increased accountability to owners.

Mahalo for the opportunity to provide these comments.

ADDENDUM<sup>28</sup>

**Registered Condominium Managing Agents and Condominium Hotel Operators as of October 27, 1999**

THIS INFORMATION IS SUBJECT TO CHANGE WITHOUT NOTICE. CONTACT LBIS AT 587-3222 TO VERIFY CURRENT STATUS OF REGISTRATION.

CMANO	Condominium Managing Agent				
00000	A-A MANAGEMENT CORPORATION	00248	LOWRY PROPERTIES INC	00192	C AND H PROPERTIES INC
00110	AAL & REALTY & MANAGEMENT INC	00007	LOYALTY ENTERPRISES LTD, LOYALTY PROPERTY MANAGEMENT	00227	CAPITAL INVESTMENT OF HAWAII INC, MARINA APARTMENT RENTALS & SALES
00071	AGENT SYSTEM U.S.A. CORP	00155	MAKAI & ASSOCIATES INC	00143	CASTLE RESORTS & HOTELS INC
00230	ALA KAI REALTY INC	00201	MAKAI MANAGEMENT LTD	00218	CEP INC, COLDWELL BANKER ISLAND PROPERTIES
00128	ALI CHANA PROP MANAGEMENT INC	00027	MANAGEMENT INC	00132	CHASE N RAINBOWS REAL ESTATE INC
00180	ASSET PROPERTY MANAGEMENT INC	00200	MAP VISION INC	00021	CLASSIC RESORTS LIMITED
00238	AUGUSTINE REALTY	00191	MARCUS & ASSOCIATES INC	00162	CORWIN & ASSOCIATES INC
00100	BELLOREALTY INC	00218	MARRIOTT HOTEL SERVICES INC	00172	DEBBER, GERALDINE, DEBBER REALTY
00104	BILL RAMSEY INC	00205	MARYL REALTY INC, MARYL COMMERCIAL	00098	DESTINATION MAUI INC
00154	BOB KEOWN LTD, MAKAI PROPERTIES	00107	MAX SHERLEY & ASSOCIATES LTD, USA PROPERTY MANAGEMENT SERVICES	00171	DESTINATION RESORTS HAWAII INC
00135	BOB TANAKA INC	00102	METROPOLITAN MANAGEMENT INC	00123	EQUITY ONE REAL ESTATE INC
00209	C & C REALTY INC, TURTLE BAY CONDOS	00012	MANAGEMENT CONSULTANTS OF HAWAII INC	00170	ESTATES AT TURTLE BAY INC, THE FRIENDLY ISLE REALTY INC
00075	CADMIUS PROPERTIES CORPORATION	00117	NAVA PROPERTIES INC	00209	GIBRALTOR PACIFIC REALTY INC, THE PRUDENTIAL WEST HAWAII REALTY
00212	CASTLE RESORTS & HOTELS INC	00005	NATIONAL MORTGAGE & FINANCE COMPANY LTD	00084	GRANTHAM NANCY H, GRANTHAM RESORTS
00252	CE RICHARD ELLIS INC	00184	NETTLESHIP RUTH V, RUTH REALTY	00200	HALE KAI RESORT RENTAL INC
00175	CEI INC	00087	OHANA PROPERTY MANAGEMENT & SALES INC	00183	HALEAKALA SHORES RESORT
00047	CEN PAC PROPERTIES INC	00038	OISHI'S PROPERTY MANAGEMENT CORP	00197	HANA KAI MAUI RESORT
00099	CENTURION REALTY CORP	00223	OPERATING & MANAGING SERVICES INC, PROPERTIES PLUS MAINTENANCE CO.	00195	HANA LEI ALOHA RENTAL MANAGEMENT INC
00062	CENTURY 21 REALTY SPECIALISTS CORP, MANAGEMENT SPECIALISTS COMPANY CERTIFIED MANAGEMENT INC	00100	OUTRIGGER HOTELS HAWAII, OUTRIGGER HOTELS & RESORTS	00182	HANA LEI NORTH SHORE PROPERTIES LTD
00020	CHANEY BROOKS & COMPANY	00207	PACIFIC COMMERCIAL REALTY CORPORATION	00109	HARVOR INC
00041	CITY PROPERTIES INC	00125	PAHIO RESORTS INC	00008	HARBOR SHORES APARTMENTS INC
00095	CLASSIC RESORTS LIMITED	00155	PALI KAI INC	00185	HAWAII RESORT MANAGEMENT INC
00258	COLDWELL BANKER COMMERCIAL PACIFIC PROPERTIES LTD	00124	PAR MANAGEMENT INC	00210	HAWAIIAN CONDO RESORTS INC
00070	COLLIERS MONROE FRIEDLANDER MANAGEMENT	00000	PARADISE MANAGEMENT CORP	00081	HCR ASSOCIATES
00227	COMMERCIAL PROP OF MAUI MANAGEMENT INC	00103	PATDI INC	00017	HOTEL CORPORATION OF THE PACIFIC INC, ASTON PROPERTY MANAGEMENT
00231	COMMERCIAL REALTY CORPORATION	00257	PREMIER RESORTS INTERNATIONAL INC	00021	INTERSTATE HOTELS CORPORATION
00138	CONDOMINIUM FISCAL MANAGEMENT INC	00101	PROFESSIONAL ISLAND MANAGEMENT LTD	00108	IPU INC, ISLAND PROPERTY MANAGEMENT
00254	DAYLUM RENTALS & MANAGEMENT INC, DAYLUM RENTALS	00031	PROPERTY MANAGEMENT HAWAII INC, SUNQUEST VACATIONS	00225	ISLAND RESORT RENTALS INC
00114	DESTINATION MAUI INC	00251	PRUDENTIAL LOCATIONS LLC	00141	JOSEPHSON, K. DAVID, MAUI PROPERTY MGMT AND SALES
00190	DESTINATION RESORTS HAWAII INC	00149	PWI REAL ESTATE INC	00224	KANAPALI BEACH PROPERTIES INC
00023	DYNAMIC PROPERTY MANAGEMENT INC	00214	QUALITY RESORT MANAGEMENT INC	00190	KAHANA FALLS LIMITED PARTNERSHIP
00188	EQUITY ONE REAL ESTATE INC	00202	QUINTUS VACATION MANAGEMENT LLC	00220	KAMAOLE MANAGEMENT SYSTEMS INC, KMS REALTY
00086	EQUITY PROPERTIES INC	00213	RCI MANAGEMENT INC	00189	KAPAA SANDS RESORT INC
00044	FIDELITY MANAGEMENT INC	00253	RE3 LLC REAL ESTATE SERVICES	00111	KAPALUA LAND COMPANY LTD, THE KAPALUA VILLAS
00200	FRED SANDS (WADO) REALTY INC	00144	REALTY MANAGEMENT CORPORATION	00102	KAUAI PARADISE VACATIONS INC
00143	FURUTA, GARY S, HAWAII INVESTMENTS	00201	REGENCY PACIFIC REALTY LLC	00183	KAUAI VACATION RENTALS & REAL ESTATE INC
00142	GINCEA REALTY INC	00107	REP MANAGEMENT INC	00159	KHEI MAUI VACATIONS INC, QUALITY REAL ESTATE
00259	HARRISBONDY, MICHAEL A	00147	SHO-PROPERTIES INC	00119	KIMBERLY, C J, C J KIMBERLY REALTORS
00224	HARRIS, FREDERICK C, HARRIS REALTY MANAGEMENT	00200	SHORTLINE PROPERTIES CORPORATION	00057	KLAHANI RESORTS CORPORATION
00221	HAWAII EQUITIES INC	00208	SKYBIRD PROPERTIES INC	00107	KNUTSON, MARLYN S, KNUTSON & ASSOCIATES
00243	HAWAII FIRST INC	00105	SOUTH KOHALA MANAGEMENT CORP	00201	KUMULANI VACATIONS AND REALTY INC, KUMULANI RENTALS
00220	HAWAIIAN ASSET MANAGEMENT & INVESTMENTS CORPORATION	00182	SULLIVAN PROPERTIES INC	00033	LEISURE PROPERTIES, INC
00049	HAWAIIANA MANAGEMENT COMPANY LTD	00187	TEAM REAL ESTATE INC	00110	LOVE, MARY M
00157	HERITAGE PROPERTIES INC	00204	TOSEI REALTY INC	00204	LOWRY PROPERTIES INC
00080	HOTEL CORPORATION OF THE PACIFIC INC, ASTON PROPERTY MANAGEMENT	00139	TOUCHSTONE PROPERTIES LTD	00157	MARRIOTT HOTEL SERVICES INC
00004	INDOCHINA MANAGEMENT INC	00250	TRADING PLACES INTERNATIONAL	00040	MAUI CONDO AND HOME REALTY INC
00064	INDO-HAWAII REALTY CORP	00094	TRAD MANAGEMENT INC	00108	MAUI KAI RENTAL PROGRAM
00255	INTERSTATE HOTELS CORPORATION	00181	TURNER, JIM C, JIM'S INVESTMENT MANAGEMENT	00205	MAUNA LOA VILLAGE RESORT INC, RIMAX RESORT PROPERTIES
00005	INVESTMENT PROPERTIES CORPORATION	00035	VILLAGE RESORTS INC	00041	MORJULE INC, MOR MAUI DIVERSIFIED REAL ESTATE
00225	IPU INC, ISLAND PROPERTY MANAGEMENT	00203	VISION PROPERTIES INC	00055	NAVA PROPERTIES INC
00047	JAMES, BRYAN, ALL COMMUNITY MANAGEMENT	00082	WEDENSON CORPORATION, MARINE SURF WAIKIKI HOTEL	00006	NAPILUKAI LTD
00133	JAMES, CHOON H, C J REAL ESTATE INTERNATIONAL	00194	WORLD INC, ALDRIDGE ASSOCIATES- REALTORS	00178	NORRIE, MARGARET J, MARGARET NORRIE REALTY
00211	JOSEPHSON, K DAVID, MAUI PROPERTY MANAGEMENT AND SALES	00207	ALOHA INTERNATIONAL REALTY INC	00080	NOWELL, JACK H, RIDGE REALTY RENTALS
00239	KAHANA FALLS LIMITED PARTNERSHIP	00187	AMERICAN RESORT MARKETING INC	00048	NOWELL, JOHNITA, J NOWELL REALTY
00025	KER MANAGEMENT & REALTY LTD	00114	ASSET PROPERTY MANAGEMENT INC	00158	OCEANFRONT REALTY INTERNATIONAL INC
00130	KLAHANI RESORTS CORP	00129	BELLO REALTY INC	00037	OHANA PROPERTY MANAGEMENT & SALES INC
00177	LANI PROPERTIES CORP	00174	BIG ISLAND HAWAII REALTY INC, CENTURY 21 BIG ISLAND	00127	OUTRIGGER HOTELS HAWAII, OUTRIGGER HOTELS & RESORTS
00219	LIFE CARE SERVICES CORPORATION OF HAWAII INC	00194	BIG ISLAND MANAGEMENT SERVICES INC	00139	PACIFIC PARADISE PROPERTIES CORP
00230	LIZAMA REALTY INC	00038	BLUE WATER DEVELOPMENT INC	00005	PAHIO RESORTS INC
00011	LOWELLD FUNK INC	00203	BLUM, JERANIE, WAIKIKI BEACH CONDOMINIUMS	00045	PALI KAI INC
		00109	C & C REALTY INC, TURTLE BAY CONDOS	00050	RANOLO HALE RENTAL INC
				00002	PARADISE MANAGEMENT CORP
				00082	PETAGNO, GAIL M H, GAIL PETAGNO REALTOR
		<b>CHO No</b>	<b>Condominium Hotel Operator</b>		
		00125	A & OCEANFRONT CONDO RENTALS INC		
		00209	ACTION TEAM REALTY INC		
		00181	ALA KAI REALTY INC		
		00194	ALL WORLD INC, ALDRIDGE ASSOCIATES- REALTORS		
		00207	ALOHA INTERNATIONAL REALTY INC		
		00187	AMERICAN RESORT MARKETING INC		
		00114	ASSET PROPERTY MANAGEMENT INC		
		00129	BELLO REALTY INC		
		00174	BIG ISLAND HAWAII REALTY INC, CENTURY 21 BIG ISLAND		
		00194	BIG ISLAND MANAGEMENT SERVICES INC		
		00038	BLUE WATER DEVELOPMENT INC		
		00203	BLUM, JERANIE, WAIKIKI BEACH CONDOMINIUMS		
		00109	C & C REALTY INC, TURTLE BAY CONDOS		

<sup>28</sup> [https://files.hawaii.gov/dcca/reb/condo\\_ed/condo\\_bull2/cb\\_96\\_00/cb27.pdf](https://files.hawaii.gov/dcca/reb/condo_ed/condo_bull2/cb_96_00/cb27.pdf)



## Testimony in Opposition to HB252

### Committee on Housing (HSG)

**DATE:** Wednesday, February 12, 2025  
**TIME:** 9:00 AM  
**PLACE:** VIA VIDEOCONFERENCE  
Conference Room 430  
State Capitol  
415 South Beretania Street

Aloha Chair Evslin, Vice Chair Miyake, and Members of the Committee,

My name is Gregory Misakian and I am submitting testimony **in opposition to HB252**.

To see one example of how much condominium owners are disregarded and disrespected by some of our legislators, you only need to look at HB252, HB591, and SB801, which are identical bills.

**SB801** was introduced by Senator Carol Fukunaga (Vice Chair of the CPN Committee), in addition to Senator Jarrett Keohokalole, (Chair of the CPN Committee), Senator Moriwaki, and Senator Rhoads. It's no surprise that SB801 was scheduled and heard at the CPN Committee, as this is the bill they (Fukunaga, Keohokalole, Moriwaki, and Rhoads) want condominium owners to have. SB801 was also marketed and pushed to the House, where it was introduced 2x as two different House bills.

**HB252** was introduced by Representative Scot Matayoshi, the Chair of the CPC Committee who holds all the power to schedule bills, and has not scheduled any of the numerous and well written consumer protection bills introduced by others who are not part of the Condominium Trade Industry cabal, which apparently some of our legislators are honorary members of. Incredibly, HB252 has now been scheduled for a hearing this week, while HB1311, HB1312, HB1313, HB1209, HB1447, SB1265, and SB1623 have not. Senator Keohokalole has also not scheduled bills that would have a major impact for condominium owners.

**HB591** was introduced by Representative Linda Ichiyama, who also serves on the CPC Committee. A good question is why did she also introduce an identical House bill to HB252? What's clear to me is that this bill was "marketed" by Senator Fukunaga to a number of legislators, and the goal was to ensure that it be introduced, scheduled, and passed. There is a clear agenda seen by me and others, and a pattern of abuse of power shared by "some"

legislators. What's not being scheduled are actual consumer protection bills that help protect condominium owners, and which are urgently needed.

**All of these identical bills are a waste of valuable legislative time for staff to draft and for committees to hear.** The fact that there are two House companion bills shows just how badly certain legislators want this bill to pass.

HB252 - MATAYOSHI, CHUN

HB591 - ICHIYAMA

SB801 - FUKUNAGA, KEOHOKALO, MORIWAKI, RHOADS

**These bills do absolutely nothing to help condominium owners and actually do nothing.** It is the most deceitful use of bills I have ever seen, and should be a wake-up call for every resident of the State of Hawaii regarding just how bad things have gotten at the legislature.

The only things proposed to be changed in the already codified statute 514B-132, are the words "prior to" changed to "before" and one additional sentence at the end which reads:

(7) For residential condominium properties that exceed seventy-five feet in height, have experience in commercial property management."

I think we can all agree that "prior to" and "before" mean the same thing. If I used the words in a sentence I could say, "**Prior to** filing an ethics complaint I confirmed large campaign donations were seen and proper lobbying paperwork was not filed," or I could say, "**Before** filing an ethics complaint I confirmed large campaign donations were seen and proper lobbying paperwork was not filed." Both sentences have the same meaning.

This only other amendment to HRS 514B-132, beside moving the word "and" down one section, was the sentence at the end, which further shows that some in the legislature do not have a basic fundamental understanding of what a commercial property is, and are trying to base this solely on height.

And regarding the only suggested amendment to HRS 514B-132 that actually states something is required:

(7) For residential condominium properties that exceed seventy-five feet in height, **have experience in commercial property management."**

Nothing is defined as to what constitutes experience (i.e., certification, training, classes, or other requirements). What does "experience in commercial property management" actually mean? The Brokers that currently oversee Management Companies will simply say I have

“experience” with commercial properties that we oversee. They will thank the legislators for their hard work to figure out how to draft a bill with absolutely no significance or requirements that they have to abide by, and they will most likely put aside some funds for future campaign contributions for this group of their favorite legislators.

**The bill as written does nothing to help condominium owners, as there is no licensing required for Community Managers who work for Management Companies overseeing condominium associations.** The Broker’s license mentioned was already established, and is not referring to the individual Community Managers, who should all be licensed. The Broker is not managing any of the day-to-day management activities of condominium associations, they are only signing contracts of engagement with associations.

I respectfully ask our legislators involved in this bill and its companion bills, to please stop abusing your positions at the legislature and start working for the residents of Hawaii and the many thousands of condominium owners that need your help to provide better consumer protection laws.

I also request that you amend this bill to fully incorporate what can be seen in **HB1447** or its companion bill, **SB1623, which requires licensing for all Community Managers**.

Gregory Misakian

**HB-252**

Submitted on: 2/11/2025 8:42:32 AM

Testimony for HSG on 2/12/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jeff Sadino	Individual	Support	Written Testimony Only

Comments:

I am glad to report that my current Managing Agent representative is doing a good job. However, these reports are few and far between.

In my experience, the representatives from the Managing Agents are oftentimes very poorly trained with very high turnover. We often hear that Board Members are just volunteers who can't really be expected to know very much. Hawaiiiana hired a new representative, assigned him to my property, and asked him to manage a lawsuit that had been going on for 3 years and a second dispute that had been going on for nearly a year, all within less than 5 days of his start date. Since he had no idea what he was doing, he promptly entered me into attorney status.

The real-world result is that he was charging my account \$400/hr to hire association attorneys to teach him how to do his job. The end result of the incompetence of the Managing Agent was the loss of over \$50,000 in legal fees for the association. This money would have been better spent on deferred maintenance or insurance premiums.

Passing this Bill will cost money in the short term, but **it will save money in the long term.**

While more knowledgeable Managing Agents will not solve the problem completely, it is a big step in the right direction.

Thank you for the opportunity to provide testimony,

Jeff Sadino

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(808) 371-2017

**HB-252**

Submitted on: 2/11/2025 1:20:53 PM

Testimony for HSG on 2/12/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Marcia Kimura	Individual	Comments	Written Testimony Only

Comments:

All the knowledge and credentials a condo managing agent has cannot ensure that agent's fulfillment of responsibilities in an ethical manner. The reinforcement of proper conduct can only be achieved through licensure standards which would include revocation of license for misconduct.