



 808-733-7060

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 1259 A'ala Street, Suite 300
Honolulu, HI 96817

March 12, 2025

The Honorable Luke A. Evslin, Chair

House Committee on Housing

State Capitol, Conference Room 430 & Videoconference

RE: Senate Bill 801, SD1, Relating to Managing Agents

HEARING: Wednesday, March 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 Senate Bill 801, SD1, which requires managing agents for residential condominium properties with more than one hundred units located in a county with a population greater than 500,000 to possess a community association manager credential from a recognized nationwide community association management industry trade group. Effective 7/1/2050.

Residential high-rise condominium properties have complex operational, safety, and financial management needs. Volunteer condominium board members rely on managing agents to navigate these challenges effectively. As such, requiring managing agents for these high-rise condominiums to possess a community association manager credential from a recognized nationwide community association management industry trade group can help ensure these properties are managed efficiently and responsibly.

Mahalo for the opportunity to provide testimony on this measure.



HAWAII LEGISLATIVE
ACTION COMMITTEE


community
ASSOCIATIONS INSTITUTE

P.O. Box 976
Honolulu, Hawaii 96808

March 10, 2025

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

Re: SB 801 SD1 (Comments)

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.

CAI offers the following comments on SB 801 SD1.

A. The Term "Community Association Manager" is Somewhat Confusing and Should be Changed to "Community Manager" or "Condominium Property Manager"

The term "Community Association Manager" is confusing because there are other types of non-condominium associations called "community associations" or "planned community associations."

To avoid confusion, CAI suggests that the term be changed slightly to "Community Manager" or "Condominium Property Manager".

B. Timing of Enactment

In order to give said community managers or condominium property managers time to comply with the licensing requirements, enactment should, at the earliest, be January 1, 2028.

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Honorable Luke A. Evslin
Honorable Tyson K. Miyake
March 10, 2025
Page 2

C. Wording of Proposed HRS § 514B-132(a) (7)

CAI would suggest inserting the following (bold) wording into the proposed language of the proposed HRS § 514B-132(a) (7).

"For residential condominium properties with more than one hundred units located in a county with a population greater than five hundred thousand, be a community association manager or under the direct supervision of the Principal Broker."

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

Testimony of the Hawai'i Real Estate Commission

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

Conference Room 430 and Videoconference

**On the following measure:
S.B. 801, S.D. 1, RELATING TO MANAGING AGENTS**

Chair Evslin and Members of the Committee:

My name is Derrick Yamane, and I am the Chairperson of the Department of Commerce and Consumer Affairs' Hawai'i Real Estate Commission (Commission). The Commission opposes this bill.

The purpose of this bill is to require managing agents for residential condominium properties with more than one hundred units located in a county with a population greater than 500,000 to possess a community association manager credential from a recognized nationwide community association management industry trade group.

This draft creates a new definition of "community association manager" within section 514B-3, HRS, for individuals who possess a "manager credential" issued by a nationwide community association management industry trade group. To the Commission's understanding, there are currently less than a handful of these trade groups offering a "manager credential" to interested individuals; however, the titles, experience, educational requirements, and costs to obtain the credential may vastly differ between these groups. Furthermore, it is unclear whether entities and real estate brokerage firms may receive this newly required manager credential, as each respective manager credential appears to be offered toward individuals, and not entities, such as real estate brokerages.

The Commission shares concerns that this bill potentially impacts existing contracts between affected condominium associations and managing agents. In addition, imposing additional requirements to operate as a condominium managing agent may reduce the number of managing agents available for associations to enter contracts with. Should a condominium's managing agent be deemed no longer qualified to provide its contractual obligations, the condominium association may be

required, pursuant to its governing documents, to contract with another managing agent for potentially a higher cost. In such possible cases, the association may need to increase its operational costs and maintenance fees, consequently imposing a financial burden on its unit owners.

Further, the Commission believes this bill causes confusion to the current regulatory statutory scheme and creates unintended consequences. If the intent of this bill is to increase the level of experience and expertise that managing agents and the individuals assigned to contractually provide services to condominium associations, the Commission respectfully requests the Committee to delay the effective date until the following studies may be completed:

- House Concurrent Resolution No. 24 and House Resolution No. 23 requesting the State Auditor to conduct a follow-up sunrise review to its prior December 2005 sunrise analysis on the regulation of condominium association managers; and
- Act 43, SLH 2024, which appropriated \$200,000 from State general revenues and \$150,000 from the Condominium Education Trust Fund for the Legislative Reference Bureau (LRB) to study how other jurisdictions handle issues regarding 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. Upon completion of the study, a Condominium Property Regime (CPM) Task Force, established by Act 189, SLH 2023, is 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.

SB-801-SD-1

Submitted on: 3/7/2025 7:43:47 PM

Testimony for HSG on 3/12/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Marcia Kimura	Individual	Support	Written Testimony Only

Comments:

I am convinced that management security should also involve resident managers who don't necessarily need real estate credentials, but need to be certified in some manner, to protect condo owners from the negligence or damage to owners' properties caused by resident managers, if there is no fidelity bond arrangement in place.

SB-801-SD-1

Submitted on: 3/8/2025 1:46:52 PM

Testimony for HSG on 3/12/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Richard Emery	Hawaii First Realty	Support	In Person

Comments:

I suggest (7) add language at the end as follows: "be a community manager *or under the direct supervision of the Principal Broker.*"

There is not an abundance of credentialed managers available in Hawaii today. There will need to be an adjustment period so the Effective date will need to be July 1, 2027.

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

To: Representative Luke A. Evslin, Chair
Re: SB 801 SD 1, Relating to Managing Agents

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

Mahalo for the opportunity to testify in support of the intention of SB 801 SD 1 with comments.

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. The Foundation for Community Association Research reported that 30% of the U.S. population reside in community associations,¹ 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, 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.

In Hawaii, only one person from every managing 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 minimal requirement and the type of license are significant to the health and safety of Hawaii's common interest community associations. Please see Addendum A.

The efforts of government to address the safety and health of condominium residents after the 2021 disastrous collapse of Florida's Champlain Towers South is noteworthy as many of Hawaii's condominiums are similar age or older, and experience exposure to a similar tropical environment. However, not enough is being done.

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

While this measure proposes accreditation (“manager credential”) that may demand and have standards, there is little enforcement of those standards. Complaints by condo owners to the accrediting organizations have not led to investigations. Even if a manager has his credentials revoked, he may still manage associations in smaller communities and potentially endanger those communities.

Compare this with an individual who is **licensed**. If the individual fails the standards of his license, his license may be suspended or revoked, preventing that individual from harming other associations in the community where the license is effective. Please see Addendum B.

The December 2005 State of Hawaii Auditor’s “Sunrise Analysis: Condominium Association Managers,”² stated that “*condominium association manager* is not a title that is commonly used in Hawaii for those who work for managing agents.”

Thus, the first step in fulfilling the purpose of SB 801 SD 1 should be to ensure consistency by government officials (including legislators), DCCA, and relevant Hawaii Revised Statutes such as HRS 514B, HRS 421I, and HRS 421J, in better defining and naming the profession addressed, The description offered in SB 801 SD 1 leaves much to be desired.

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....

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

² <https://files.hawaii.gov/auditor/Reports/2005/05-10.pdf>

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."³

³ <https://www.caionline.org/Advocacy/PublicPolicies/Pages/Community-Association-Manager-Licensing-Policy.aspx>

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 unless they go to court.

While requiring “manager credentials” is a step in the right direction towards greater accountability of those managers and greater security for those who own and/or reside in the communities they manage, it is minuscule progress.

It is also unclear in SB 801 SD 1 if individual managers or the managing agents (see the HRS514B definition on page ___ of this document) are required to be “credentialed.”

SECTION 3. Section 514B-132, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Every managing agent shall:

(1) Be a...

(7) For residential condominium properties with more than one hundred units located in a county with a population greater than five hundred thousand, be a community association manager."

Additionally, the original measure, SB 801, required “experience in commercial property management,” to which some questioned the “commercial” designation. However, the insurance industry⁴ as well as the City and County of Honolulu’s Department of Planning and Permitting, the Federal National Mortgage Association (i.e., FNMA, Fannie Mae), and the Federal Home Loan Mortgage Corporation (i.e., FHLMC, Freddie Mac), all consider “five or more residential units owned by a single entity [i.e., an association]” to be classified as *commercial* real estate.

Classification as a “condominium” only designates the type of ownership, ignoring its physical structure. Thus, the original requirement in SB 801, that the managing agent should have “experience in commercial property management” should be retained.

Ultimately, I prefer the licensure of management as **individual community association manager practitioners** to impose educational standards, provide greater oversight of the profession, and assure increased accountability to owners.

⁴ <https://reshield.com/blog/underwriting-criteria-for-apartments-co-ops-and-condominiums-what-commercial-real-estate-investors-should-know/#:~:text=ISO%20Codes%20and%20Classifications,to%20create%20a%20final%20premium>

Mahalo for the opportunity to provide these comments.

Aloha,

Lila Mower

Addendum A

Currently, there are only 113 “CAI credentialed professionals”⁵ 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 Hawaiiana 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, Hawaiiana Management’s website states:

“...Hawaiiana 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, Hawaiiana is pleased to provide personal attention and responsive, proactive "service with aloha" to your association.”⁶

Hawaiiana Management also reports a “\$29 billion portfolio estimation.”⁷

Currently, Hawaiiana 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,⁸ of which one is specifically designated as a Principal Broker. Its CMA license expired at the end of 2002.⁹

Associa Hawaii, continues to be licensed as “Certified Management Inc” (RB-16152) and has four licensed offices. Only two of its employees are licensed as Real Estate Brokers, of which one is designated as its Principal Broker.¹⁰ Its CMA license expired in 2002.¹¹

⁵ <https://www.caionline.org/directory-of-credentialed-professionals/?searchText=&state=HI&credential=&sortDirection=asc&sortBy=lastname&page=12>

⁶ <https://hmcmgt.com/about/>

⁷ <https://hmcmgt.com/about/>

⁸ <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseId=RB-13476-0>

⁹ <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseId=CMA-49-0>

¹⁰ <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseId=RB-16152-0>

¹¹ <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseId=CMA-169-0>

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.¹²

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.¹³

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.¹⁴ In 2002, their CHO (condominium hotel operator) and CMA licenses expired.^{15,16,17}

Despite their many licensed Real Estate Salespersons or Brokers, a condominium association that was under the management of Hawaiian Properties, alleged over \$300,000 missing from their funds.¹⁸

Touchstone Properties was founded in 1990 and has a management team with "more than five decades of combined experience"¹⁹ 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.²⁰ Its CMA license expired in 2002.²¹

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.

ADDENDUM B

The licensure of managing agents and commercial property management experience is necessitated for the safety of residents and owners of common interest communities. Instead of licensure as *real estate brokers*, I support the licensure of individual managing agents, with relevant educational requirements, as **community association managers**, a license that once existed under DCCA.

¹² <http://thinktechhawaii.com/2016/08/19/should-condo-managers-be-licensed/>

¹³ <https://www.hawaiianprop.com/>

¹⁴ <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseid=RB-8372-0>

¹⁵ <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseid=CHO-230-0>

¹⁶ <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseid=CHO-31-0>

¹⁷ <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseid=CMA-272-0>

¹⁸ <https://www.civilbeat.org/2023/10/this-waianae-condo-development-has-lost-hundreds-of-thousands-of-dollars-to-embezzlement/>

¹⁹ <https://www.touchstoneproperties-hawaii.com/about-us>

²⁰ <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseid=RB-15260-0>

²¹ <https://mypvl.dcca.hawaii.gov/public-license-details/?licenseid=CMA-139-0>

Many of the existing problems with association management and governance are systemic, built into the Hawaii Revised Statutes,²² causing confusion and conflict, and creating opportunities to bypass the very rules that are presumed to provide consumers with accountability and protection. For example:

“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:

(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 Registration²³:

“[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.”

²² https://www.capitol.hawaii.gov/hrscurrent/vol12_ch0501-0588/hrs0514b/hrs_0514b-.htm

²³ <https://cca.hawaii.gov/reb/files/2017/12/cmaapp.pdf>

The most recently available DCCA Fiscal Year 2022-2023 Program Of Work And Budget²⁴ 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”).”

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[.]”

But, it should be noticed that **real estate brokers, the license currently held by managing agents, are not mentioned** in these DCCA documents, potentially allowing noncompliance with regulations, including educational requirements meant to protect consumers.

²⁴ <https://cca.hawaii.gov/reb/files/2023/03/pow22-23.pdf>

SB-801-SD-1

Submitted on: 3/9/2025 8:36:22 PM

Testimony for HSG on 3/12/2025 9:00:00 AM

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

Comments:

I support this Bill, although it would be better if it required the "community association manager" to be licensed, not simply credentialed. While a credential will increase the education of this person, it will do nothing to make sure that this person is following the Governing Documents or HRS or to stop these people who have bad intentions, of which there are many.

Thank you,

Jeff Sadino

808-371-2017

Testimony in Opposition to SB801 SD1

Committee on Housing (HSG)

DATE: Wednesday, March 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 SB801 SD1**.

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 did not schedule 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, both HB252 and SB801 were scheduled for hearings, while HB1311, HB1312, HB1313, HB1315, HB890, HB1209, HB1447, SB1265, and SB1623 were not. Senator Keohokalole also did not schedule 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 would 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 as originally written 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.

So now I move on to the SD1 amendments, which continues to show me that some of our legislators either don’t understand how to draft condominium related measures that help condominium owners, or they understand, and are intentionally not wording them correctly at the request of those in the Condominium Trade Industry groups who are lobbying for weaker consumer protection bills for condominium owners.

The newly amended section that reads:

“Community association manager” means an individual who possesses a manager credential issued by a nationwide community association management industry trade group.

Should be further amended to define what type of manager credential this is referring to, what minimum requirements there are for hours of coursework and training, and what the credential is. Also, this should state “a nationally recognized and accepted community association management industry trade group.”

The newly amended section that reads:

(7) For residential condominium properties with more than one hundred units located in a county with a population greater than five hundred thousand, be a community association manager.

Should be deleted, and please stop trying to improperly define the size of the association, the height of the building (as was previously written), or the population of the county. None of this is relevant, and it’s clear that you are trying to exclude this new law, if passed, in some districts, and with clear bias the way this is written.

SB801 SD1, as newly amended, still 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 SB801 SD1 properly, to fully incorporate what can be seen in **HB1447** or its companion bill, **SB1623**, **which requires licensing for all Community Managers.**

Further and substantive amendments are needed if this bill is to do anything to help condominium owners.

Gregory Misakian

SB-801-SD-1

Submitted on: 3/10/2025 11:04:23 AM

Testimony for HSG on 3/12/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jon McKenna	Hawaiiiana Management Company, Ltd.	Oppose	Written Testimony Only

Comments:

While a leader in respect to our property management team having industry credentials, oppose requiring such credentials for the purposes stated in this Bill. Decision-making authority rests with the board members; as such, this Bill would also be served by requiring **board members** to take industry-related education as part of their duty to serve on a Board.

SB-801-SD-1

Submitted on: 3/11/2025 2:23:31 AM

Testimony for HSG on 3/12/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ellen Awai	Individual	Support	Written Testimony Only

Comments:

I support SB801.SD1 for property management of more than 100 units. But would this also apply to senior homes and units that are 2-3 stories?? For a senior facility is a resident manager, even though they change the name to Community Director, need to be a resident on property so that other residents can ask for assistance?

I live in a senior community that does not comply to a lot of our local/state or even federal laws, with its head office in another state. The property manager doesn't seem to care that their non-speaking English residents cannot understand their 50-page contract and never read it, the notices they send out regularly or the simple signs at entrances because it may be an inconvenience in their daily routine, but is for security and safety reasons. Many depend on the services of 911, the Honolulu Fire Department, Emergency Services or Honolulu Police Department to settle their issues or disputes creating additional burden on society. I would say this should bill should apply to all facilities and not just condos which I imagine to be high rises. I do apologize if I am mistaken.

SB-801-SD-1

Submitted on: 3/11/2025 6:25:12 AM

Testimony for HSG on 3/12/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Dylan P. Armstrong	Individual	Support	Written Testimony Only

Comments:

I support this measure without elaboration, for none is needed.

SB-801-SD-1

Submitted on: 3/11/2025 3:18:53 PM

Testimony for HSG on 3/12/2025 9:00:00 AM

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

Comments:

SB 801 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 SB 801

Aloha Committee Chairs and Members,

My name is Miri Yi, and I am a condominium owner submitting testimony **in strong support** of SB 801, 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.

I urge the committee to please consider these enhancements to SB 801 and thank you for your time and attention to this critical issue.

Very Respectfully,

Miri Yi

Honolulu
96818