



February 22, 2020

VIA WEB TRANSMITTAL

Hearing Date: Tuesday, February 25, 2020

Time: 12:30 p.m.

Place: Conference Room 016

Committee on Judiciary  
The Senate, the 30th Legislature  
Regular Session of 2020

Re: Community Associations Institute's **Testimony in support of SB 2421**

Dear Chair Rhoads, Vice Chair Keohokalole and Committee members:

I am a member of the Hawaii Chapter of the Community Associations Institute Legislative Action Committee ("CAI"). We represent the condominium and community association industry and submit this testimony in support to SB 2421.

We are in agreement with and support the findings provided in SB 2421, viz., that Act 195, Session Laws of 2018, created important and effective rules relating to association foreclosures on condominiums and that the amendments made therein successfully effectuated the purpose of Act 195 and should, therefore, remain permanent.

Based on the foregoing, we respectfully submit that SB 2421 should be passed out of Committee. Thank you for your time and consideration.

Sincerely yours,

/s/ R. Laree McGuire  
R Laree McGuire  
CAI LAC Hawaii

**SB-2421-SD-1**

Submitted on: 2/22/2020 1:08:48 PM

Testimony for JDC on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Golojuch, Sr.	Testifying for Palehua Townhouse Association	Support	No

Comments:

I strongly support SB2421. Please pass. Thank you.

Mike Golojuch, Sr.

President, Palehua Townhouse Association

**SB-2421-SD-1**

Submitted on: 2/22/2020 10:30:07 AM

Testimony for JDC on 2/25/2020 12:30:00 PM

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

Comments:

The provisions should become a permanent part of the law.

**SB-2421-SD-1**

Submitted on: 2/21/2020 3:32:28 PM

Testimony for JDC on 2/25/2020 12:30:00 PM

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

Comments:

**SB-2421-SD-1**

Submitted on: 2/22/2020 11:17:21 AM

Testimony for JDC on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Marcia Kimura	Individual	Support	Yes

## Comments:

I am in favor of this measure which permanently establishes the provisions of Act 195, mainly because it gives owners the rights to dispute any questionable non common element charges such as legal fees, fines, late fees and penalties, before paying these, and abolishes the wrongful priority of payments arrangements in which installment payments on debts owed associations are applied first to those incidental charges. When payments are not first applied to common element dues balances, an owner can remain indefinitely in debt because not only do these balances remain on account, but consequently their fees and penalties increase as well.

Moreover, consider that the reason some owners are in debt is that they were victims of fraudulent allegations by association boards, of covenant violations, and face foreclosure resulting from legal fees and fines high enough to cause those owners to default on their common element dues.

**SB-2421-SD-1**

Submitted on: 2/23/2020 11:38:25 AM

Testimony for JDC on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jeff Sadino	Individual	Support	No

Comments:

Chair Rhoads, Vice Chair Keohokalole, and Members of the Committee,

I STRONGLY SUPPORT SB 2421 SD1 relating to CONDOMINIUMS, specifically the update to the Priority of Payments.

Currently, a Board can accuse an Owner of anything they want and refer that Owner to Legal Counsel with absolutely no due process. These legal fees charged at \$315/hr to enforce non-existent Violations add up quickly. \$5,000 of legal fees can – and have – been accumulated in one month before the Owner has the opportunity to address the non-existent Violation.

The Federal Reserve said in 2019 that 40% of people are unable to pay for a \$400 emergency expense. The Law Firms can – and have – foreclosed on condo Owners for deficits as little as \$1,000.

Instead of encouraging attorneys to solve all problems big and small, please encourage Boards to first have a dialogue with Owners. Please make permanent the update to the Priority of Payments and pass SB 2421 SD 1

Thank you for the opportunity to testify.

**The Senate  
Committee on Judiciary  
Tuesday, February 25, 2020  
12:30 p.m.  
Conference Room 016**

To: Chair Rhoads  
Re: SB2421 SD1, relating to condominium associations

Aloha Chair Rhoads, Vice-Chair Keohokalole, and Members of the Committee,

I am Lila Mower, president of Kokua Council, one of Hawaii's oldest advocacy groups. Kokua Council is concerned about policies and practices which can impact the well-being of seniors and our community.

Kokua Council hosts an annual Policy and Legislative Priorities Community Meeting attended by representatives from over 50 organizations\* to present their priorities. At the end of the 2019 annual meeting, a poll of participants indicated **strong support for the protection of condominium owners' rights.**

I am also leader of Hui 'Oia'i'o, informally known as "COCO," a coalition of over 300 property owners--mostly seniors--from over 150 common-interest associations.

**Both Kokua Council and Hui 'Oia'i'o support SB2421 SD1, the repeal of the sunset provision of Act 195, to permanently codify amendments to Hawaii Revised Statutes 514B-105, 514B-146, and 667-94.**

Act 195 rectified the "pay first, dispute later" provision so that it applies only to common expense assessments, thus returning some semblance of due process for condo owners who disagreed with the assessment of NON-essential fees or penalties.

Act 195 prohibited the harmful scheme which allowed NON-essential fees to be carved from fully and timely paid maintenance fees, which caused owners to appear to be deficient on their maintenance fee payments, and which allowed associations to foreclose on owners who were not in default on their maintenance fees but may have wanted to dispute a false House Rules violation or a wrongly imposed late fee penalty.

For these reasons, Hui 'Oia'i'o and Kokua Council support the passage of SB2421 SD1 which will make Act 195 permanent and protect condo owners from that aggressive collection method which destroyed many lives.

Mahalo,

Lila Mower

\*The organizations include AARP - Advocacy Director, Altres Home Care, Alzheimer's Association, Arcadia Family Of Companies, Caring Across Generations, Catholic Charities, Child And Family Services, Common Cause Hawaii, Community Alliance On Prisons (CAP), Condo 411, Drug Policy Forum, Elderly Affairs Division, City and County Of Honolulu (EAD), Executive Office On Aging (State Of Hawaii), Faith Action (fka Faith Action For Community Equity), Foster Grandparent Program, Grassroot Institute Of

Hawaii, Hawaii Disability & Communication (DCAB), Hawaii Alliance Of Non-Profits (HANO), Hawaii Appleseed Center For Law And Economic Justice, Hawaii Alliance Of Retired Americans (HARA), Hawaii Community Foundation, Hawaii Family Caregiver's Coalition (HFCC), Hawaii Disability Rights Center, Hawaii Long Term Care Ombudsman, Hawaii Meals On Wheels, Helping Hands Hawaii, Hui `Oia`i`o, Institute For Human Services (IHS), KAHEA, Kokua Kalihi Valley, Kupuna Caucus, Kupuna Education Center at KCC, Lanakila Meals On Wheels, League Of Women Voters, Manoa Cottage Care Home, Mediation Center Of The Pacific, National Alliance On Mental Illness (NAMI), Native Hawaiian Legal Group, Osher Lifelong Learning Institute, Pacific Alliance To Stop Slavery (PASS), Partners In Care, Phocused, Policy Advisory Board For Elderly Affairs (PABEA), Pono Action, Project Dana, Public Health Nursing, Sierra Club, Senior Companion Program, Times Pharmacy, UH Center On Aging, and the State of Hawaii Governor's Coordinator on Homelessness.



**SB-2421-SD-1**

Submitted on: 2/24/2020 11:55:51 AM

Testimony for JDC on 2/25/2020 12:30:00 PM

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

Comments:

Chair Rhoads, Vice Chair Keohokalole, and Members of the Committee,

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Instead of encouraging attorneys to solve all problems big and small, please encourage Boards to first have a dialogue with Owners. Please make permanent the update to the Priority of Payments and pass SB 2421 SD 1.

Thank you for the opportunity to testify.

**LATE**

**From:** [Grace Chang](#)  
**To:** [JDCTestimony](#)  
**Subject:** SB 2421 SD1 (CONDOMINIUMS)  
**Date:** Monday, February 24, 2020 7:36:16 AM

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Chair Rhoads, Vice Chair Keohokalole, and Members of the Committee,

I STRONGLY SUPPORT SB 2421 SD1 relating to CONDOMINIUMS, specifically the update to the Priority of Payments.

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Thank you for the opportunity to testify.

Sent from [Mail](#) for Windows 10  
Grace Chang  
CKAUTOBODY  
2855 KAIHIKAPU ST  
HONOLULU HI 96819  
808 836-1693

**LATE**

**From:** [Jasmine](#)  
**To:** [JDCTestimony](#)  
**Subject:** Support for SB2421 relating to Condominium Associations  
**Date:** Sunday, February 23, 2020 1:14:39 PM

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Chair Rhoads, Vice Chair Keohokalole, and Members of the Committee,

I STRONGLY SUPPORT SB 2421 SD1 relating to CONDOMINIUMS, specifically the update to the Priority of Payments.

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Thank you for the opportunity to testify.

**LATE**

**From:** [Svetlana Dubinina](#)  
**To:** [JDCTestimony](#)  
**Subject:** SUPPORT for SB2421 relating to CONDOMINIUM ASSOCIATIONS  
**Date:** Sunday, February 23, 2020 12:52:06 PM

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Chair Rhoads, Vice Chair Keohokalole, and Members of the Committee,

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Thank you for the opportunity to testify.

Lana D.

**LATE**

**From:** [Alyson Shim](#)  
**To:** [JDCTestimony](#)  
**Subject:** SUPPORT for SB2421 relating to CONDOMINIUM ASSOCIATIONS  
**Date:** Sunday, February 23, 2020 8:47:29 PM

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Chair Rhoads, Vice Chair Keohokalole, and Members of the Committee,

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Thank you for the opportunity to testify.

**From:** [Brandon Hoida](#)  
**To:** [JDCTestimony](#)  
**Subject:** SUPPORT for SB2421 relating to CONDOMINIUM ASSOCIATIONS  
**Date:** Sunday, February 23, 2020 8:51:46 PM

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**LATE**

- > Chair Rhoads, Vice Chair Keohokalole, and Members of the Committee,
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- > I STRONGLY SUPPORT SB 2421 SD1 relating to CONDOMINIUMS, specifically the update to the Priority of Payments.
- >
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- >
- > Thank you for the opportunity to testify.

**From:** [Nisha Tirado](#)  
**To:** [JDCTestimony](#)  
**Subject:** SUPPORT for SB2421 relating to CONDOMINIUM ASSOCIATIONS  
**Date:** Thursday, February 27, 2020 9:13:00 AM

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