

Testimony of the Hawai'i Real Estate Commission

**Before the
Senate Committee on Commerce and Consumer Protection
Tuesday, March 24, 2026
9:35 a.m.
Conference Room 229 & Via Videoconference**

**On the following measure:
H.B. 1897, H.D. 1, RELATING TO CONDOMINIUM ALTERNATIVE DISPUTE
RESOLUTION**

Chair Keohokalole 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 amend the conditions and procedures of alternative dispute resolution methods for condominium-related disputes, including the use of evaluative mediation or binding arbitration.

This bill establishes minimum qualifications of mediators and arbitrators who provide alternative dispute resolution (ADR) supported by the Condominium Education Trust Fund (CETF). The Commission takes no position on the experience requirements specified under proposed section 514B-F. However, the Commission notes that it does not contract with individual mediators; instead, it contracts with mediation providers to provide ADR supported by the CETF.

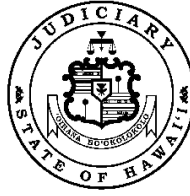
The Commission supports the proposed initial fee of \$150 to be paid by each party to the mediator (page 8, line 1) and arbitrator (page 9, line 16). This amount represents a reduction from the current statutory fees of \$375 for evaluative mediation and \$175 for voluntary binding arbitration. The reduced fee would address anecdotal concerns from condominium owners who were reluctant to pursue ADR due to its cost, while also ensuring that both parties have a tangible commitment to participating in mediation or arbitration.

Page 8, lines 2-6, authorizes the Commission to waive the initial fee for individuals who provide satisfactory evidence that the fee would pose an unreasonable economic burden. As the Commission meets on a monthly basis, it believes that

requests for fee waivers could be processed more efficiently if the mediation providers, rather than the Commission, were provided with this authority.

Currently, the Commission, through the CETF, provides subsidized support for facilitative mediation, evaluative mediation, and voluntary binding arbitration. As drafted, proposed section 514B-C, HRS, appears to limit CETF support to evaluative mediation and binding arbitration. The Commission opposes reducing the number of ADR options eligible for the CETF to provide subsidized support and respectfully requests that facilitative mediation remain among the options for subsidized ADR.

Thank you for the opportunity to testify on this bill.



The Judiciary, State of Hawai‘i
Ka ‘Oihana Ho‘okolokolo, Moku‘āina ‘o Hawai‘i

Testimony to the Thirty-Third Legislature, 2026 Regular Session

Senate Committee on Commerce & Consumer Protection

Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

Tuesday, March 24, 2026, 9:35 a.m.
State Capitol, Conference Room 229

By

Michelle D. Acosta
Deputy Chief Court Administrator
District Court of the First Circuit

Bill No. and Title: House Bill No. 1897, H.D. 1, Relating to Condominium Alternative Dispute Resolution.

Purpose: Amends the conditions and procedures of alternative dispute resolution methods for condominium-related disputes, including the use of evaluative mediation or binding arbitration. Effective 7/1/3000. (HD1)

Judiciary's Position:

The Judiciary takes no position on the intent of the proposed legislation and provides the following comments with respect to implementation.

The Judiciary respectfully requests that the following language on page 4, lines 6-8 (“Small claims court has not invalidated the fine within ninety days after timely initiation of a small claims court action”) be stricken and replaced with the following text:

“(C) Judgment is entered in favor of the association in small claims court.”

This proposed amendment avoids potential scenarios where the court is unable to fully adjudicate a case within 90 days. Such reasons could include, but are not limited to, an association’s inability to serve a small claims complaint within 90 days; an association, unit



House Bill No. 1897, H.D. 1, Relating to Condominium Alternative Dispute
Resolution
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owner, and/or witness' unavailability for hearings and/or trial within 90 days; and the availability of trial dates on the court's calendar.

The Judiciary also notes that future resources might be needed in the event this measure results in a significant increase in small claims filings.

Thank you for the opportunity to testify on this measure.

P.O. Box 976
Honolulu, Hawaii 96808

March 21, 2026

Honorable Jarrett Keohokalole
Honorable Carol Fukunaga
Committee on Commerce and Consumer Protection
415 South Beretania Street
Honolulu, Hawaii 96813

Re: **HB 1897 HD1 SUPPORT**

Dear Chair Keohokalole, Vice Chair Fukunaga and Committee Members:

CAI supports HB 1897 HD1 because it provides targeted and sensible amendments to Chapter 514B of the Hawaii Revised Statutes. The amendments protect consumers by, among other things, enhancing due process procedures for the imposition of fines and by improving alternative dispute resolution processes overall.¹

The potential for abusive imposition of fines is constrained by requiring that fines be reasonable, and robust due process procedures are required. An appeal process must be provided, and remaining disputes will be finally resolved by the small claims court. Moreover, HB 1897 HD1 prohibits the reported practice of charging attorney's fees to collect a disputed fine.

HB 1897 HD1 provides support from the condominium education trust fund for evaluative mediation and for voluntary binding arbitration. This valuable subsidy contributes to the prompt and economical resolution of condominium-related disputes.

The fee to participate in evaluative mediation is substantially lowered by HB 1897 HD1. Waiver is authorized if an unreasonable economic burden is shown. Minimum qualifications and disclosure requirements are established, to ensure that mediators and arbitrators constructively serve those roles. HB 1897 HD1 promotes easy access to alternative dispute resolution processes and is user friendly.

¹ A total of 75 subsidized mediations (10 facilitative/65 evaluative) are reported in the 2025 Annual Report, Real Estate Commission ("Report") (DC 132). Report at 31. The number of condominium units existing in 2025 was 175,509. Report at 32.

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CAI is aware of certain comments regarding HB 1897 HD1. With respect to those comments, CAI would not oppose certain amendments to HB 1897 HD1 to the extent stated below:

Section 2 (514B-B(a) (2) (C)) (page 3, lines 7-12). CAI has no objection to either of two alternative amendments:

OPTION 1

§514B-B Fines; when collectible. (a) Notwithstanding any provision to the contrary in the declaration, bylaws or house rules, a An association may only impose fines for the violation of the declaration, bylaws, and house rules adopted pursuant to this chapter, subject to the following requirements:

(C) Notice of an appeal procedure that may be initiated within thirty days after imposition of the fine and that provides an aggrieved person with a reasonable opportunity to challenge the fine and be heard by the board regarding the challenge;

OPTION 2

(C) Notice of an appeal procedure that may be initiated within thirty days after imposition of the fine and that provides an aggrieved person with a reasonable opportunity to challenge the fine and be heard by the board regarding the challenge; provided that the declaration, bylaws or house rules may provide for a longer time to initiate an appeal;

Section 2 (514B-B(b)) (page 4, lines 9-11). CAI has no objection to the following amendment:

(b) No attorneys' fees incurred in connection with the imposition or collection of a fine shall be charged by an association to any unit owner or tenant before the time when a fine is deemed to be collectible.

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Section 2 (514B-B(c)) (page 4, lines 12-14). CAI prefers the following alternative:

(c) The imposition of a fine, and the determination of a small claims court, if any, shall be without prejudice to the exercise of any other remedy available to an association. **A small claims judgment shall only determine the validity and amount of the fine itself, and shall not have preclusive effect regarding any underlying or related claim or issue.**

Section 3 (514B-D(g)(3)) (page 8, lines 10-15). HB 1897 HD1 is consistent with existing law regarding potential disputing parties.²

CAI has no objection to amending the definition of "condominium-related dispute" (page 12, line 19 through page 13, line 2) as follows:

Condominium-related dispute" means a dispute between:
(1) A unit owner and the board **or association;**
(2) A unit owner and the managing agent;
(3) Board members and the board;
(4) **A developer and the board or association; or**
(4 5) **An association or board and the managing agent.**

And then amending Section 3 (514B-D(g)(3)) as follows:

(3) ~~May include disputes and parties in addition to those identified in subsection (a); provided that a unit owner or a developer and board are parties to the evaluative mediation at all times and the unit owner or developer and board mutually consent in writing to the addition of the disputes and parties.~~ **the condominium-related dispute; provided that all parties to the condominium-related dispute consent in writing.**

² "**§514B-161 Mediation.** (a) The mediation of a dispute between a unit owner and the board, unit owner and the managing agent, board members and the board, or directors and managing agents and the board shall be mandatory upon written request to the other party when: ***"

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Section 8. CAI agrees that the words “, subject to subpart ___” should be eliminated. CAI disagrees that HRS Section 514B-104(b) should be eliminated. That section addresses far more than fines.

Instead, CAI proposes that section 8 of HB 1897 HD1 be amended as follows:

SECTION 8. Section 514B-104, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

[existing text unchanged, but add]

(b) If a tenant of a unit owner violates the declaration, bylaws, or rules and regulations of the association, in addition to exercising any of its powers against the unit owner, the association may:

(1) Exercise directly against the tenant the powers described in subsection (a)(11);

(2) After giving notice to the tenant and the unit owner and an opportunity to be heard, levy reasonable fines against the tenant for the violation in accordance with section 514B-B, provided that a unit owner shall be responsible for the conduct of the owner's tenant and for any fines levied against the tenant or any legal fees incurred in enforcing the declaration, bylaws, or rules and regulations of the association against the tenant; and

(3) Enforce any other rights against the tenant for the violation which the unit owner as landlord could lawfully have exercised under the lease, including eviction, or which the association could lawfully have exercised directly against the unit owner, or both.

Section 11 (514B-146(g)) (page 32, lines 16-19). CAI has no objection to the following amendment:

(g) An association may defend an assessment in court and in evaluative mediation. The association may proceed to collect an unpaid assessment by any legal means except when collection efforts are stayed pursuant to subsection (f); provided that a notice of lien may be recorded while that stay is in effect.

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Section 12. CAI disagrees that non-binding arbitration should be preserved.

CAI supports HB 1897 and, to the extent stated herein, does not oppose amendment thereof to keep it moving forward.

CAI Legislative Action Committee, by


Its Chair

HB-1897-HD-1

Submitted on: 3/21/2026 2:23:20 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Richard Emery	Testifying for Associa	Support	Written Testimony Only

Comments:

Support the Bill with the proposed amendments by CAI.

HB-1897-HD-1

Submitted on: 3/21/2026 2:54:39 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Idor Harris	Testifying for Honolulu Tower	Oppose	Written Testimony Only

Comments:

Honolulu Tower is a fee simple 396 unit condominium located at the corner of Maunakea and Beretania Streets. At its February 2, 2026 meeting the board unanimously voted to oppose HB1897. Among our reasons are:

Page 3, lines 7-12, provides for a right to appeal a fine within 30 days. This may override longer appeal periods in bylaws and house rules. It needs clarification.

The definition of condominium related dispute on page 12, line 19-21, page 13, lines 1-2, should be revised to include disputes between a unit owner and the association as well as the board.

The procedure for imposing fines against owners should be the same as the procedures for imposing fines against tenants.

Page 32, lines 16-19, permits an association to collect unpaid assessment by any legal mean except when collection efforts are stayed pursuant to 514B-146 (f). There are times that a lien must be recorded to preserve the priority of an association's lien, but the association will be barred from doing so because of the stay.

The right to demand non-binding arbitration should not be deleted.

You also need to know that some insurance companies will not cover awards through binding arbitration unless they have agreed to that provision in advance.

Idor Harris

Resident Manager, Honolulu Tower

HB-1897-HD-1

Submitted on: 3/21/2026 5:15:44 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Mike Golojuch, Sr.	Testifying for Palehua Townhouses Association	Support	Written Testimony Only

Comments:

Our Association supports HB1897. Please pass this bill.

Mike Golojuch, Sr., President

LATE

HB-1897-HD-1

Submitted on: 3/24/2026 1:32:11 AM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Gregory Misakian	Individual	Oppose	Remotely Via Zoom

Comments:

Aloha Chair, Vice Chair, and Members of the CPN Committee,

I currently serve as:

President, Kokua Council, Vice President, Hawaii Alliance for Retired Americans (HARA), Director, Keoni Ana AOA, Member, Good Government Caucus, Member, Kupuna Caucus.

I am in strong opposition to HB1897 HD1 as written, and in my opinion this is yet another example of the “attorneys” who sue condominium owners providing a bill that’s best for them, and not best for the many thousands of condominium owners throughout Hawaii.

You ignored condominium owners once again in 2026, by failing to schedule the most important bill for a hearing - HB2453 (companion bill SB3309) Ombudsman's Office for Condominium Owners and Associations.

And now we are back with another bad bill, which lets condominium owners know that they have limited time to file an appeal, most likely will need to file a court action, and can be subjected to large attorney costs for trying to fight what often has been proven to be unfair assessments and fines (from abuse of power and attorneys focused on making more money). In Hawaii, a State well known for corruption, most of us know that wherever abuse of power can happen, it most likely will.

As we enter the 2026 election year, I urge this Committee to listen to the condominium owners of Hawaii, who are also a large voting population of Hawaii. Democracy wins when legislators listen to the people and not the lobbyists.

Respectfully,

Gregory Misakian (as an individual)

March 20, 2026

RE: H.B. No. 1897 H.D.1 - Comments Only With Suggested Changes.

Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Members of the Committee:

I am submitting comments on H.B. No. 1897, H.D.1. The bill is well intended, but needs a number of changes. *If changes are not made, this bill will likely lead to confusion and disputes on a number of issues.*

1. Comments Regarding SECTION 2.

The new Section 514B-B(a)(2)(C) (pg. 3, lines 7-12) provides for a right to appeal a fine within thirty days. While thirty days is a normal time period for the appeal of fines, there may be bylaws and house rules that provide for longer periods to appeal. It is not clear whether the new Section 514B-B(a)(2)(C) is intended to override longer appeal periods in bylaws and house rules. This should be clarified.

The new Section 514B-B(b) (pg. 4 lines 9-11) of the bill provides that “[n]o attorneys’ fees with respect to a fine shall be charged by an association to any unit owner or tenant before the fine is deemed collectable.” This could be construed as prohibiting an association from recovering attorneys’ fees incurred by it in having its lawyer send a demand letter to an owner who has violated a covenant if a fine resulting from the violation is later waived, rescinded, or set aside. The fact that a fine has been waived, rescinded, or set aside does not necessarily mean that there was no violation warranting the sending of a demand letter. It may be that the board agreed to waive or rescind the fine as a gesture of goodwill or that the fine was set aside by the small claims court for technical reasons. Furthermore, a board may be less inclined to waive fines if doing so means that it must also waive all attorneys’ fees incurred by the association in connection with the violation. To help clarify that the attorneys’ fees referenced are “attorneys’ fees incurred in connection with the imposition or collection of a fine,” it is suggested that line 9-11 on page 4 of the bill be revised to read:

“(b) No attorneys’ fees incurred in connection with the imposition or collection of a fine shall be charged by an association to any unit owner or tenant before the time when a fine is deemed to be collectable.”

The new Section 514B-B(c) (pg. 4 lines 12-14) of the bill provides that “[t]he imposition of a fine, and the determination of a small claims court, if any, shall be without prejudice to the exercise of any other remedy available to an association.” In order to make it clear that a decision of the small claims court, from which there is no right of appeal, shall not be deemed to constitute res judicata or collateral estoppel as to any issue other than the determination of whether a fine is valid and collectible, please consider adding the following sentence to the new subsection (c) found on page 4, lines 12-14: “Any determination of a small claims court regarding the validity or amount of a fine pursuant to this section shall be binding on the parties but shall not constitute res judicata or collateral estoppel as to any issue, factual finding, or determination regarding the underlying violation, bases for the fine, or other issue.”

2. Comments on SECTION 3.

The new Section 514B-D(g)(3) (at page 8, lines 10-11) states that evaluative mediation may include disputes and parties in addition to those “identified in subsection (a).” This is confusing because subsection (a) does not specifically identify any parties. Subsection (a) does refer to a condominium-related dispute which is defined to identify certain parties, but having to go to one section and then another to try to apply meaning to Section 514B-D(g)(3) is a bit confusing. This section should be amended to refer to the disputes and parties identified in the definition of “condominium-related disputes” if that is what is intended.

The new Section 514B–D(g)(3) goes on to state that additional claims and parties may be included “provided that a unit owner or a developer and board are parties to the evaluative mediation at all times and the unit owner or developer and board mutually consent in writing to the addition of the disputes and parties.” This is confusing because the developer is not even listed as a party in the definition of a condominium-related dispute found in SECTION 5 (pg. 12, lines 19-21 and pg.13, lines 1-2) of the bill and it completely ignores managing agents, who are listed in the definition of a condominium-related dispute.

To address these issues, Section 514B-D(g)(3) (pg. 8, lines 10-11) could read: “May include disputes and parties in addition to those identified in the definition of a “condominium-related dispute” found in Section 3; provided that a condominium-related dispute is at all times part of the mediation and the parties to the condominium-related dispute consent, in writing, to the addition of the disputes or parties to the evaluative mediation.”

3. Comments on SECTION 5.

The definition of “condominium-related dispute” found in SECTION 5 (pg. 12, lines 19-21, pg. 13, lines 1-2) should be revised to include disputes between a unit owner and the “association” as well as the board.

4. Comments Regarding SECTION 8.

SECTION 8 amends HRS Section 514B-104(a)(11) (pg. 18, lines 12-21, pg. 19, lines 1-7) to clarify that the board may impose fines in accordance with the new section 514B-B (*i.e.*, the new provision on fines), but fails to delete HRS Section 514B-104(b) which pertains to fines against tenants and conflicts with the new Section 514B-B. The procedure for imposing fines against owners should be the same as the procedures for imposing fines against tenants. HRS Section 514B-104(b) should be eliminated to avoid conflict.

The amendment to HRS Section 514B-104(a)(11) states at page 19, lines 6-7 of the bill that it is subject to “subpart ____.” It is impossible to determine what subpart is being referenced to be able to comment on the unidentified subpart. More clarity should be provided so the public can comment on this section.

5. Comments on SECTION 11.

SECTION 11 of the bill amends HRS Section 514B-146 to add a new subsection (g) (pg. 32, lines 16-19) which permits an association to collect unpaid assessment by any legal means except when collection efforts are stayed pursuant to subsection (f). There may be times that a lien must be recorded to preserve the priority of an association's lien, but an association will be barred from doing so because of the stay. To address this issue, please consider amending subsection (g) found on page 32 (lines 16-19) to read: "(g) An association may defend an assessment in court and in evaluative mediation. The association may proceed to collect an unpaid assessment by any legal means except when collection efforts are stayed pursuant to subsection (f), provided, however, that nothing herein shall preclude an association from recording a notice of lien while a stay pursuant subsection (f) is in effect."

6. Comments on SECTION 12.

SECTION 12 completely eliminates Part VI Subpart D of HRS Chapter 514B. The deletion of HRS Section 514B-161 and 514B-162.5 makes sense because those sections are being replaced by new sections found in the bill. However, it is not clear why the bill is eliminating the right to demand nonbinding arbitration with a right to a trial de novo. Nonbinding arbitration has been used to resolve many condominium disputes in the past and should be preserved.

Respectfully submitted,



M. Anne Anderson

HB-1897-HD-1

Submitted on: 3/20/2026 5:41:34 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
mary freeman	Individual	Comments	Written Testimony Only

Comments:

HB No. 1897 H.D.1 is well intended. However, as stated in the testimony of M. Anne Anderson, a number of provisions in the bill need to be amended to avoid issues in enforcement. If changes are not made then there is the risk of confusion and disputes regarding various issues.

Mary Freeman

Ewa Beach

HB-1897-HD-1

Submitted on: 3/20/2026 7:16:48 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Joe M Taylor	Individual	Comments	Written Testimony Only

Comments:

HB No. 1897 H.D.1 is well intended. However, as stated in the testimony of M. Anne Anderson, a number of provisions in the bill need to be amended to avoid issues in enforcement

HB-1897-HD-1

Submitted on: 3/20/2026 7:54:16 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Laurence Chapman	Individual	Comments	Written Testimony Only

Comments:

HB No. 1897 H.D.1 is well intended. However, as stated in the testimony of M. Anne Anderson, a number of provisions in the bill need to be amended to avoid issues in enforcement.

HB-1897-HD-1

Submitted on: 3/20/2026 9:39:40 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Julie Wassel	Individual	Comments	Written Testimony Only

Comments:

HB No. 1897 H.D.1 is well intended. However, as stated in the testimony of M. Anne Anderson, a number of provisions in the bill need to be amended to avoid issues in enforcement.

Respectfully submitted,

Julie Wassel

HB-1897-HD-1

Submitted on: 3/20/2026 11:13:44 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Steve Glanstein	Individual	Comments	Written Testimony Only

Comments:

I'm concerned about legislation that creates ambiguity which then leads to forum shopping for legal opinions that match the direction desired by an association board, managing agent, or an aggrieved owner. **Please provide clarity in the proposed changes.** I agree with Ms. Anderson with respect to resolving confusing language, even at this late date. **Minimally, I suggest that the bill be deferred until the confusing issues are resolved.**

HB-1897-HD-1

Submitted on: 3/21/2026 11:22:55 AM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
lynne matusow	Individual	Oppose	Written Testimony Only

Comments:

There are so many objectionable things in this bill I don't know where to begin. And since it would take too much time to suggest revisions that will work, i strongly object to this bill. This testimony is not all inclusive.

1. There is a right to appeal a fine within 30 days. This could override e longer periods in bylaws and house rules.
2. A board may be less inclined to waive fines if it means that it must also waive all attorneys fees incurred by the association in connection with the violation.
3. Definition of condominium related dispute is incomplete. There is at least one category missing.
4. Procedures for imposing fines should be same for both owners and tenants.
5. Non binding arbitration has been deleted. Some insurance companies will not agree to settlements if they do not agree beforehand.
6. If certain unpaid assessments are stayed, there will be times when attorneys cannot impose liens, jeopardizing the association's finances.

I also agree with the comments submitted by M. Anne Anderson. She has really studied the bill.

lynne matusow

HB-1897-HD-1

Submitted on: 3/21/2026 11:26:15 AM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Lance S. Fujisaki	Individual	Support	Written Testimony Only

Comments:

March 20, 2026

RE: H.B. No. 1897 H.D.1 - Comments Only With Suggested Changes.

Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Members of the Committee:

Although I generally support HB No. 1897 H.D.1, I join in the testimony of M. Anne Anderson, as a number of provisions in the bill require revisions to avoid problems with enforcement.

Thank you,

Lance Fujisaki

HB-1897-HD-1

Submitted on: 3/21/2026 2:57:41 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Sandie Wong	Individual	Support	Written Testimony Only

Comments:

I have been a condo owner and resident for the past 33 years and I am in support of HB1897, HD1. Thank you.

HB-1897-HD-1

Submitted on: 3/22/2026 4:50:38 AM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Carol Walker	Individual	Comments	Written Testimony Only

Comments:

HB No. 1897 H.D.1 is well intended. However, as stated in the testimony of M. Anne Anderson, a number of provisions in the bill need to be amended to avoid issues in enforcement.

Carol Walker

**The Senate
The Thirty-Third Legislature, 2026
Committee on Commerce and Consumer Protection
Tuesday, March 24, 2026
9:35 a.m.**

To: Senator Jarrett Keohokalole, Chair
Re: HB 1897 HD1, Relating to Condominium Alternative Dispute Resolution

Aloha Chair Jarrett Keohokalole, Vice-Chair Carol Fukunaga, and Members of the Committee,

Mahalo for the opportunity to testify in **opposition to HB1897 HD1** because it weakens condominium owners' protections and rights.

The "prevailing party" rule gives the *appearance* of fairness, however, the proposed section, 514B-A(b), favors associations. In fairness, should an owner or owners prevail, they should also be "promptly paid on demand" and the section found in HRS 514B-157(c) should be added to HB 1897:

"If the claims upon which the association takes any action are not substantiated, all costs and expenses, including reasonable attorneys' fees, incurred by any applicable person or persons as a result of the action of the association, shall be promptly paid on demand to the person or persons by the association."

The word, "reasonable," is arbitrary and subjective. The most recent issues of the Hawaii Condominium Bulletin reveal that the cause of disputes for nearly all reported mediation cases is due to interpretations of associations' governing documents (see the addendum on page 3). Thus, leaving less to interpretation may resolve more disputes. The amounts of fines, penalties, and charges should be pre-defined in documents accessible to associations owners so that owners and residents are informed, and those fines, penalties, and charges are not arbitrary.

Other HRS 514B sections that should not be repealed include:

- HRS514B-146 (d) (3) "Payment in full of the common expense assessment shall not prevent the owner from contesting the common expense assessments or receiving a refund of amounts not owed."
- The section in HRS 514B-157 which protects owners who make good faith efforts to resolve disputes:

"If any claim by an owner is not substantiated in any court action against an association, any of its officers or directors, or its board to enforce any provision of the declaration, bylaws, house rules, or this chapter, then all reasonable and necessary expenses, costs, and attorneys' fees incurred by an association shall be awarded to the association, unless

before filing the action in court the owner has first submitted the claim to mediation, or to arbitration under subpart D, and made a good faith effort to resolve the dispute under any of those procedures.”

Mahalo for allowing me the opportunity to testify in strong opposition to HB 1897 HD1.

ADDENDUM

(source: Hawaii Condominium Bulletin, Volume 31, No. 3, December 2025)

Dispute Prevention and Resolution, Inc.

AOUO vs Owner	Dispute over the interpretation of the bylaws on approved flooring	Mediated to Agreement
Owner vs AOUC	Dispute over the interpretation of the bylaws and house rules on approved flooring	No Agreement
AOUC vs Owner	Dispute over the interpretation of the declaration and bylaws regarding water damage	No Agreement
AOUC vs Owner	Dispute over the interpretation of the bylaws and house rules on aggressive animals	Mediated to Agreement
Owner vs AOUC	Dispute over the interpretation of the governing documents related to financial management, reserves, and vendor contracts	Mediated to Agreement
Owner vs AOUC & Owner	Dispute over the interpretation of the bylaws regarding noise mitigation regarding health and safety	No Agreement

Mediation Center of the Pacific

Owner vs AOUC	Dispute over the interpretation of the bylaws related to fees and fines	Mediated to Agreement
Owner vs AOUC	Dispute over the interpretation of the governing documents related to maintenance, pipes, and repairs	No Agreement
Owner vs AOUC	Dispute over the interpretation of the declaration and bylaws regarding water damage and leaks	No mediation, neither party participated
Owner vs AOUC	Dispute over the interpretation of the bylaws and house rules regarding fines and fees	No Agreement
Owner vs Property Management Company	Dispute over the interpretation of the declaration and bylaws regarding water damage and leaks	No mediation, owner withdrew
Owner vs AOUC	Dispute over the interpretation of the bylaws and house rules regarding right of owners to participate in board meetings, access to records, and capital expenditures	No Agreement
Owner vs AOUC	Dispute over the interpretation of the bylaws regarding fees and fines	No mediation, neither party participated
Owner vs AOUC	Dispute over the interpretation of the declaration and bylaws regarding water damage and leaks	No Agreement

Mediation Case Summaries (cont. from page 4)

Lou Chang

Owner vs AOUC	Dispute over the interpretation of the governing documents over insurance and common area damages	No Agreement
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HB-1897-HD-1

Submitted on: 3/23/2026 8:44:35 AM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Colonel Mark L Brown, USA (Ret.)	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

When you conference on HB 1897 PLEASE OPPOSE THE RESCISSION ON PAGES 37 to 40 because it rescinds an important HRS 514B-157 protection for Hawaii citizen condo owners who pursue legitimate claims against developer, and other, big-money interests.

The language, as currently written in HRS 514B-157, reads *“If any claim by an owner is not substantiated in any court action against an association, any of its officers or directors, or its board to enforce any provision of the declaration, bylaws, house rules, or this chapter, then all reasonable and necessary expenses, costs, and attorneys’ fees incurred by an association shall be awarded to the association, unless before filing the action in court the owner has first submitted the claim to mediation, or to arbitration under subpart D, and made a good faith effort to resolve the dispute under any of these procedures.”* Note that HB 1897 entirely repeals (lines out) this language on pages 37 to 40 and replaces it with lengthy, and ambiguous, language on pages 1 to 37 that is far more favorable to big-money developer and association interests, at the expense and peril of Hawaii citizen condo owner interests.

Had the protection currently provided by HRS 514B-157 not existed in 2019, I would have never taken the extra personal financial risk of pursuing my own legitimate claim against fraud, and the retaliation I experienced for reporting that fraud. The current statute further provides condo owners with a powerful financial incentive to pursue mediation or arbitration in good faith first, before filing a lawsuit. This I did in my case in 2020, but without any resolution. The highlights of my case, and the subsequent outcome three years later, were reported by Honolulu Civil Beat in a July 2023 article entitled “Prominent Condo Directors Pay \$600,000 To Settle Retaliation Claim”. This article, and the many supportive comments by Civil Beat readers, can be accessed via the following link: <https://www.civilbeat.org/2023/07/prominent-honolulu-condo-directors-pay-600000-to-settle-retaliation-claim/>

Importantly, Civil Beat described my case as one *“that pitted a retired Army colonel against executives with leading developers...”* and one that *“...had been closely watched by advocates for condo owners as the first major test of a 2017 law [HRS 514B-191] designed to prevent condominium boards from retaliating against owners, board members and managers who raise questions about potential violations of Hawaii condo law or association bylaws.”* I am hopeful that my relative success may have helped prevent dozens of subsequent retaliation cases that Hawaii condo owners, board members and managers would have otherwise experienced.

I believe that the language in HB 1897 which rescinds the consumer protection at issue was drafted by Attorney Phil Nerney who has made his career, and fortune, by mostly representing big-money developer and condo association interests. Mr. Nerney previously proposed this rescission in early 2024 when he first served as the Chairman of the CPR task force which was empowered by the legislature to examine Hawaii's condo statutes at the time. I know this because I testified via Zoom against Mr. Nerney's proposal. Fortunately, Mr. Nerney's proposal was voted down by the House and Senate members of the CPR task force as well as other members (such as Kokua Council Chairwoman Lila Mower) who stood up for Hawaii citizen interests.

Mr. Nerney attempted again last legislative session to rescind the HRS 514B-157 consumer protections in SB 146 which was substantially similar to the current HB 1897, with 37 pages of new language favoring big-money interests followed by the proposed rescission of HRS 514B-157 at the very end on page 38. For good, in the interest Hawaii citizen condo resident protection interest, reasons SB 146 died a well-deserved death in committee.

I understand that Mr. Nerney may have gained his position as the CPR task force chairman due to the influence of former House Majority Leader Scott Saiki. Because of this, and other instances where Mr. Saiki favored big-money developer and association interests over Hawaii citizen condo owner interests, we the constituents of his House District voted him out of office in 2024.

Thank you.

Very Respectfully,

MARK L. BROWN

Colonel, U.S. Army (Retired)

HB-1897-HD-1

Submitted on: 3/23/2026 8:47:15 AM

Testimony for CPN on 3/24/2026 9:35:00 AM

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

Comments:

I oppose this measure.

LATE

HB-1897-HD-1

Submitted on: 3/23/2026 12:21:24 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Dale A. Head	Individual	Oppose	Written Testimony Only

Comments:

Aloha Happy Legislators:

I OPPOSE HB 1897 as it makes it easier for rogue Boards of Directorts to victimize owners. This is NOT good and sucks up to the industry of predatory property management companies agents and followers. It makes it easier to mug owners with fines and harass them into giving up and selling their residences to the 'next victim' who will be clueless what they are up against. That, as 'owners' they'd are the little people to be stomped.

Sincerely, Dale A. Head

LATE

HB-1897-HD-1

Submitted on: 3/23/2026 3:19:13 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Richard S. Ekimoto	Individual	Support	Written Testimony Only

Comments:

Dear Chair Keohokalole and members of the Committee:

I am in support of HB1897, HD1. The bill provides a comprehensive alternative dispute resolution mechanism for condominium associations.

Thank you for this opportunity to testify on the bill.