

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

**Before the  
Senate Committee on Commerce and Consumer Protection  
Friday, February 13, 2026  
9:30 a.m.  
Via Videoconference**

**On the following measure:  
S.B. 2433, RELATING TO CONDOMINIUMS**

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 supports this bill.

The purpose of this bill is to require the Commission to adopt rules to recognize and define condominium unit owners as stakeholders, and to involve condominium unit owners in consultations and activities funded by the Condominium Education Trust Fund (CETF).

The Commission's purpose, as stated in Hawai'i Revised Statutes chapter 467-4(2), "is the protection of the general public in its real estate transactions." To that end, the Commission recognizes condominium unit owners as the primary stakeholders in condominium governance. The CETF was established to support education and research that benefit these owners. This bill strengthens that purpose by requiring the Commission to adopt rules that identify unit owners as stakeholders and ensure their participation in consultations and activities funded by the CETF. Historically, the Commission has shown this commitment through initiatives such as the Blue Ribbon Committee to recodify the Hawai'i condominium law and through ad hoc committees to improve the Commission's educational resources. By codifying these practices, this bill ensures that unit owners, as both stakeholders and beneficiaries of the CETF, remain actively involved in improving and developing educational resources that support effective condominium governance.

Thank you for the opportunity to testify on this bill.



P.O. Box 976  
Honolulu, Hawaii 96808

February 11, 2026

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

**Re: SB 2433 (Oppose)**

Dear Chair Keohokalole, Vice Chair Fukunaga 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 SB 2433.

Generally speaking, CAI encourages owner involvement in education programs and committees. In fact, CAI itself offers a large variety of education programs for condominium owners. CAI also encourages owner participation in the legislative and rulemaking processes, where owners already have a right to speak and be heard (and they do).

First, the proposed legislation purports to confer a new, vague and undefined legal status of "stakeholder" or "primary stakeholder" to condominium owners. It will open the door to a changes that were never before contemplated in the structure of condominium governance.

Second, having undefined terms like "stakeholder" and "primary stakeholder" will make the law difficult to enforce.

//

Honorable Jarrett Keohokalole

Honorable Carol Fukunaga

February 11, 2026

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Third, again, CAI encourages owner participation in legislation and rulemaking. Also, it is likely that most task forces and committees will have condominium owners on them, as a default. Other condominium owners can still participate through testimony. However, the Real Estate Commission should be consulted as to the directive that the Real Estate Commission "shall ensure" that owners are represented in all committees and task forces. The effects of such a broad provision are uncertain, and enacting such language should be approached with caution.

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

Very truly yours,

CAI Legislative Action  
Committee, by

*/s/ Dallas H. Walker*

Dallas Walker, Esq.

**SB-2433**

Submitted on: 2/6/2026 1:05:45 PM  
Testimony for CPN on 2/13/2026 9:30:00 AM

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

**Comments:**

Honolulu Tower is a fee simple sprinklered 396 unit condominium located at Maunakea and Beretania Streets. At its meeting on February 2, 2026, the Board of Directors of the Association of Apartment Owners of Honolulu Tower unanimously voted its support of this bill.

With nearly 200,000 condominium units in the state it is important that condos have a seat at the table.

Please move this bill forward.

Idor Harris

Resident Manager

**SB-2433**

Submitted on: 2/7/2026 2:55:55 PM  
Testimony for CPN on 2/13/2026 9:30:00 AM

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

**Comments:**

The Real Estate Commission has promoted education in a responsible impartial manner including the production of award-winning videos. Creating owners as stakeholders is a poor idea. The industry needs fiduciaries not stakeholders making decisions and creating the best industry. Unnecessary and disruptive. Oppose.

# LAW OFFICES OF PHILIP S. NERNEY, LLLC

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

January 31, 2026

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

Re: SB 2433 OPPOSE

Dear Chair Keohokalole, Vice Chair Fukunaga and Committee Members:

SB 2433 is plainly contrary to the organizational structure of condominiums. It should not be enacted.

Condominium unit owners are not "primary stakeholders in condominium governance." Elected boards of directors are primary stakeholders in condominium governance.

Owners elect directors. Directors govern, as fiduciaries, within the bounds of law and contract. So, the thrust of the bill reflects a misapprehension or misrepresentation of the nature of condominium governance.

Also, what is the need for the proposed mandate? Owners are on the Condominium Property Regime Task Force. From what are "owners" categorically excluded?

Is there evidence that the Real Estate Commission ("REC") discriminates against, disenfranchises and/or fails to serve condominium owners on some routine basis? SB 2433 provides no such evidence.

SB 2433 is poorly predicated, arbitrary and would solve nothing. It would simply impose fixed requirements upon administration of the REC that are unwarranted. It is an effort to overcome the governance structure of condominiums that is embedded in statute.

Very truly yours,

  
Philip S. Nerney

**SB-2433**

Submitted on: 2/8/2026 4:35:11 PM  
Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Lourdes Scheibert	Individual	Support	Remotely Via Zoom

Comments:

**SB2433 — Written Testimony****Senate Committee on Commerce and Consumer Protection (CPN)**

**To:** Chair Senator Jarrett Keohokalole  
**Vice Chair:** Senator Carol Fukunaga  
**Committee on Commerce and Consumer Protection**

My name is **Lourdes Scheibert**, and I respectfully submit testimony **in strong support of SB2433**

**Testimony:**

I respectfully **support SB2433**.

Condominium unit owners are both **consumers and economic stakeholders** in Hawai‘i’s housing market. With nearly 200,000 condominium units statewide, condominiums are the primary—and often only—form of homeownership for many residents, especially seniors and working families.

Unit owners directly fund and bear the consequences of governance decisions, including maintenance fee increases, special assessments, deferred maintenance, and reserve underfunding. Yet despite this financial exposure, owners are often **excluded from state-level policy discussions, advisory groups, and educational programs** that shape condominium governance.

SB2433 addresses this gap in a practical and cost-effective way by formally recognizing condominium unit owners as **stakeholders** and requiring their inclusion in consultations, advisory committees, task forces, and policy activities funded by the Condominium Education Trust Fund.

This bill strengthens both **consumer protection and market stability**. From a consumer perspective, owners are expected to navigate complex governing documents and financial obligations with little input into how education and policy are designed. From a commerce perspective, informed owners contribute to better governance, more realistic reserve planning,

fewer disputes, and stronger long-term asset management—supporting housing stability and protecting property values.

Importantly, SB2433 does **not** create a new agency, expand enforcement authority, or increase regulatory burdens. It simply ensures that existing education funds are used in a way that includes those most directly affected by condominium policy decisions.

For these reasons, I urge you to **support SB2433**.

**SB-2433**

Submitted on: 2/5/2026 2:34:11 PM  
Testimony for CPN on 2/13/2026 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Julie Sparks	Individual	Oppose	Written Testimony Only

Comments:

Oppose.

**SB-2433**

Submitted on: 2/5/2026 3:12:18 PM  
Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Ayson	Individual	Oppose	Written Testimony Only

**Comments:**

I oppose this bill.

**SB-2433**

Submitted on: 2/6/2026 11:56:55 AM  
Testimony for CPN on 2/13/2026 9:30:00 AM

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

**Comments:**

I am an owner occupant of a high rise condominium in Honolulu. I respectfully ask that you support this bill. As condo ownership is increasing annually, with its share of home ownership always going up. it is important that condo owners are consulted in these deliberations.

Lynne Matusow

**SB-2433**

Submitted on: 2/9/2026 2:06:38 PM  
Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Lorraine Leslie	Individual	Support	Written Testimony Only

Comments:

**Senate Committee on Commerce and Consumer Protection (CPN)**

**To:** Chair Senator Jarrett Keohokalole  
**Vice Chair:** Senator Carol Fukunaga  
**Committee on Commerce and Consumer Protection**

My name is **Lorraine Leslie**, and I respectfully submit testimony **in strong support of SB2433**

**Testimony:**

I respectfully **support SB2433**.

Condominium unit owners are both **consumers and economic stakeholders** in Hawai‘i’s housing market. With nearly 200,000 condominium units statewide, condominiums are the primary—and often only—form of homeownership for many residents, especially seniors and working families.

Unit owners directly fund and bear the consequences of governance decisions, including maintenance fee increases, special assessments, deferred maintenance, and reserve underfunding. Yet despite this financial exposure, owners are often **excluded from state-level policy discussions, advisory groups, and educational programs** that shape condominium governance.

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This bill strengthens both **consumer protection and market stability**. From a consumer perspective, owners are expected to navigate complex governing documents and financial obligations with little input into how education and policy are designed. From a commerce perspective, informed owners contribute to better governance, more realistic reserve planning, fewer disputes, and stronger long-term asset management—supporting housing stability and protecting property values.

Importantly, SB2433 does **not** create a new agency, expand enforcement authority, or increase regulatory burdens. It simply ensures that existing education funds are used in a way that includes those most directly affected by condominium policy decisions.

For these reasons, I urge you to **support SB2433**

**The Senate**  
**The Thirty-Third Legislature, 2026**  
**Committee on Commerce and Consumer Protection**  
**Friday, February 13, 2026**  
**9:30 a.m.**

To: Senator Jarrett Keohokalole, Chair  
Re: SB 2433, Relating to Condominiums

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

**I strongly support SB 2433.** This measure directs the Real Estate Commission to adopt rules that formally recognize condominium unit owners as stakeholders and ensures their inclusion in consultations and activities funded by the Condominium Education Trust Fund.

Condominium governance is founded on the principle of self-governance. In practice, however, unit owners — who collectively fund and sustain their associations — are often underrepresented in the governmental and regulatory processes that shape condominium law and policy.

For example, during the recodification of HRS Chapter 514B, only a single condominium unit owner represented the interests of hundreds of thousands of condominium owners statewide, while the remaining participants represented commercial or industry stakeholders:

“HSBA [Hawaii State Bar Association] Real Property & Financial Services section members Richard T. Asato, Jr., Gail O. Ayabe, Randy Brooks, Andy Bunn, David Callies, Ken Chong, Deb Chun, Lorrin B. Hirano, Mitchell A. Imanaka (also the Chair of the Real Estate Commission’s Condominium Review Committee that spearheaded the recodification effort), Ray Iwamoto, Rick Kiefer, Bernice Littman, John A. Morris, Milton Motooka, Joyce Y. Neeley, Hiroshi Sakai, and Jane Sugimura were among those who helped immensely in the effort to recodify Hawaii’s 40+ year old (at that time) condominium law. In addition to these HSBA-RPFS section members, the Real Estate Commission’s Blue Ribbon Recodification Advisory Committee included Steve Glanstein (representing the Hawaii Chapter of the Community Associations Institute), Len Kacher (representing the Hawaii Association of Realtors), Calvin Kimura and Cynthia Yee (representing the Real Estate Branch of the State Department of Commerce & Consumer Affairs), Richard Port (representing Hawaii Independent Condominium & Cooperative Owners), and Ted Walkey (representing the Hawaii Association of Realtors).” (source: <https://www.hawaiilegal.com/wp-content/uploads/2019/04/The-Expert's-Guide-to-Hawaii's-Recodified-Condominium-Law.pdf>)

This imbalance highlights the need for structural reform in how stakeholder participation is defined and implemented.

SB 2433 corrects this gap by explicitly recognizing condominium unit owners as stakeholders and ensuring their voices are included in rulemaking, studies, and educational initiatives supported by owner-funded Condominium Education Trust Funds. Owners are directly affected by these policies and should have a consistent, guaranteed role in shaping them.

Including unit owners will lead to more balanced policy outcomes, improve the legitimacy of regulatory actions, and strengthen public confidence in condominium governance. Broader participation will help ensure that decisions reflect the real-world concerns of residents and not solely the priorities of commercial interests.

For these reasons, I strongly encourage your support of SB 2433.

Mahalo.

Lila Mower

**SB-2433**

Submitted on: 2/10/2026 8:12:02 PM  
Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Sheldon S Y Lee	Individual	Support	Written Testimony Only

Comments:

TO: Hawaii State Legislators

FROM: Sheldon S Y Lee

Re: My testimony on SB2433

I support this bill because: (1) it would give condominium owners more representation in proceedings affecting condominiums; and (2) it would increase education of owners about their rights (not just obligations) under the law.

I will quote from a letter I wrote to Sen. Fukunaga, in response to an article she published in *Midweek* magazine:

Legislators are fond of saying that condominiums are self-governing. There is a lot of information available about the *duties and obligations* of owners, but not about their *rights* and options.

How many owners would know the answers to these questions:

1. Can owners appeal late fees, fines and interest?
2. Can owners obtain copies of association records and if so, at what cost?
3. Can a board take out loans without the approval of the owners?
4. Can a board freely make assessments without approval of the owners?
5. Are owners at large allowed to speak at meetings and if so, how much?
6. Can a board constantly go into executive session?
7. If a director has a conflict of interest, what can the owners do about it?
8. Can the owners remove a board member?
9. What content should be included in the minutes of meetings? For example, should the minutes state how each board member voted on issues?
10. Are the owners entitled to receive minutes in a timely fashion?
11. Can a board freely change bylaws and house rules without approval of the owners?
12. How quickly and easily can a board foreclose on an owner (even a retired couple)?
13. Can an owner assign a proxy only for the purpose of attaining a quorum at a meeting?
14. Is corruption at a condominium association a crime? (Yes, HRS §708-880.)

15. Can an owner obtain a directory of all the owners and campaign for office, electronically or by posting signs at the building?
16. Who will be responsible for attorney's fees in a dispute between a board and an owner? Are there limits on those fees?
17. How can owners be sure that elections are fair—for example, that votes are counted accurately?
18. Can a board retaliate against an owner for asking questions? Is it all right for a board to discriminate against owners who speak out?

How can a condominium association be self-governing if owners do not know the answers to these questions? I did not know the answers and I am an attorney.

Owners are not going to look at the statutes. The rights of owners should be known to everyone—members at large, board members, managers and vendors.

A friend and I drew up a poster of condo owners' rights... Everyone would be able to point to it and say, "This is what the law says."

...

If all of the parties were better informed about the law, there might be less of a need for ADR and litigation. Mediation, arbitration and litigation are not satisfactory options for owners, because owners are unlikely to receive a fair hearing or a fair outcome, and because of legal costs.

[At our building, the main issues were corruption and kickbacks. Our monthly fees increased by three hundred percent, permanently and about a third of the owners sold their units at reduced prices or were foreclosed on.]

As buildings in Hawaii age, they are going to need legitimate repairs. Condominiums are going to be a gold mine for corrupt board members, managers and vendors. Are legislators going to stand by while that happens?

... Unfortunately, most [owners] are afraid to get involved or speak up, for fear of retaliation. Even if they wanted to take action, they would not know what to do. I hope that legislators and others in government will *not* continue to sidestep condominium issues by saying that "Condominiums are self-governing."

Condominium owners need to be better educated about their rights and the options they have when there are issues at their buildings.

Thank you for your time and concern for condominium owners in Hawaii.

**SB-2433**

Submitted on: 2/10/2026 9:01:03 PM  
Testimony for CPN on 2/13/2026 9:30:00 AM

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

Comments:

**Testimony in Strong Support with Amendments – S.B. 2433**

Aloha Chair and Members of the Committee,

I strongly support S.B. 2433 because it addresses a longstanding structural imbalance in condominium governance policy.

Condominium unit owners directly bear the financial consequences of special assessments, maintenance fee increases, reserve underfunding, and insurance decisions. Yet historically, policy discussions, advisory groups, and education initiatives have been dominated by industry professionals whose income is derived from the condominium system itself.

That imbalance has shaped outcomes.

S.B. 2433 recognizes condominium unit owners as primary stakeholders in statute and requires their inclusion in policy development and education efforts funded by the Condominium Education Trust Fund. This is not symbolic. It is structural.

Homeowners fund the Trust. Homeowners should have a voice in how those funds are used and how condominium law evolves.

When those who profit from the system disproportionately influence regulatory conversations, reform becomes incremental and protective of industry interests. Including owners restores balance and legitimacy.

I respectfully encourage the Committee to ensure that inclusion is meaningful. Owner representation should not be token. **The statute should require clear standards for participation and transparency in selection processes so that independent owners, not industry affiliates, are represented.**

Correcting systemic imbalance strengthens governance, improves policy outcomes, and rebuilds public trust in the regulatory framework.

S.B. 2433 is a necessary step toward equity in condominium policymaking.

Mahalo for your leadership on this issue.

Jessica Herzog  
Condo Owner, Waianae  
[aloha@localparliamentarian.com](mailto:aloha@localparliamentarian.com)

**SB-2433**

Submitted on: 2/10/2026 9:30:01 PM  
Testimony for CPN on 2/13/2026 9:30:00 AM

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

Comments:

Committee on Commerce and Consumer Protection

**SB 2433 – Owners As Stakeholders**

**Friday, February 13, 2026 @ 9:30 AM**

My name is Jeff Sadino and I **SUPPORT** this Bill.

After participating as a Member in two REC advisory panels, it is my belief that there exists a lack of appreciation for what the individual condo owner experience is, especially in areas that require improvement. **It is a natural byproduct that the people from the trade industry who are most experienced in condo living also have never been targeted for unfair treatment by the trade industry.** By including individuals who have first-hand experience with the problems that invariably exist, we can all better understand each other and improve condo governance.

Wishlist:

At multiple educational events I have attended, the advice from the presenter is that if a Board member does not understand their Governing Documents, they should consult with the Association attorneys first. However, an individual condo Owner does not have the same accessibility to free attorneys. Governing Documents should be written in plain-language that a reasonable person can understand. If it requires an attorney to understand what the Governing Documents say, then how can individuals be expected to follow them even when they are trying their best to in good faith?

The Board should not hold Owners to a higher standard than they hold themselves to.

By having condo owners involved in the process, hopefully we can come up with Governing Documents and Statutes that are understandable to the average person, or even better, to those who are the most vulnerable amongst us.

Thank you for your work and interest in these issues,

Jeff Sadino

[JSadino@gmail.com](mailto:JSadino@gmail.com)

**SB-2433**

Submitted on: 2/11/2026 10:56:54 PM  
Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Diann Karin Lynn	Individual	Support	Written Testimony Only

**Comments:**

Common sense says that those who are affected by laws and policies should have a say in how they are formed. I strongly support the principle that the opinions and votes of condominium owners should be included as stakeholders in any and all situations where their intersted are affected. These siuations would include such activites as consultations, advisory committees, task forces and other policy-making situations funded by the Condominium Education Trust Fund. Informed owners contribute to better governance, which in turn benefits everyone.

**LATE**

**SB-2433**

Submitted on: 2/13/2026 12:04:21 AM  
Testimony for CPN on 2/13/2026 9:30:00 AM

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

Comments:

Condominium owners are already stakeholders within their condominium associations, but sadly many do not participate in the process by attending Board meetings, Annual meetings, and understanding what is going on in their associations.

Gregory Misakian