

**HB-1897-SD-1**

Submitted on: 4/1/2026 3:09:58 PM

Testimony for JDC on 4/7/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Richard Emery	Testifying for Associa	Support	Written Testimony Only

Comments:

Support.

**HB-1897-SD-1**

Submitted on: 4/3/2026 11:15:42 AM

Testimony for JDC on 4/7/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
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

P.O. Box 976  
Honolulu, Hawaii 96808

April 1, 2026

Honorable Karl Rhoads  
Honorable Mike Gabbard  
Committee on Judiciary  
415 South Beretania Street  
Honolulu, Hawaii 96813

Re: **HB 1897 HD1 SD1 SD1 SUPPORT**

Dear Chair Rhoads, Vice Chair Gabbard and Committee Members:

CAI supports HB 1897 HD1 SD1 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.<sup>1</sup>

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 SD1 prohibits the reported practice of charging attorney's fees to collect a disputed fine.

HB 1897 HD1 SD1 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 SD1. 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 SD1 promotes easy access to alternative dispute resolution processes and is user friendly.

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<sup>1</sup> 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.

Honorable Karl Rhoads  
Honorable Mike Gabbard  
April 1, 2026  
Page 2 of 2

CAI supports HB 1897 HD1 SD1.

CAI Legislative Action Committee, by

Handwritten signature of Philip Nemey in black ink.

Its Chair

**HB-1897-SD-1**

Submitted on: 4/6/2026 8:23:26 AM

Testimony for JDC on 4/7/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Mark McKellar	Testifying for Law Offices of Mark K. McKellar, LLLC	Comments	Written Testimony Only

Comments:

Dear Senator Rhoads, Chair, Senator Gabbard, Vice Chair, and Members of the Committee:

H.B. 1897 H.D.1, S.D.1 is well intended, but needs to be amended. I join in the testimony of M. Anne Anderson.

Sincerely,

Mark McKellar

**HB-1897-SD-1**

Submitted on: 4/3/2026 11:09:14 AM

Testimony for JDC on 4/7/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
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-SD-1**

Submitted on: 4/3/2026 11:09:14 AM

Testimony for JDC on 4/7/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
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-SD-1**

Submitted on: 4/3/2026 5:58:06 PM

Testimony for JDC on 4/7/2026 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Dawn Smith	Individual	Oppose	Written Testimony Only

Comments:

Please do NOT undo the one protection afforded condo owners. This measure brings back *guilty until proven innocent*. During this speedy process of obtaining fines and attorney's fees, the next legislation may attempt to bring back the non-judicial foreclosures.

Please understand that most condo fines are related to alleged House Rule violations. The House Rules are so vague and subject to interpretation that it is easy for condo management to find a violation. Generally anyone who asks to view the financial documents becomes a nemesis of management.

I no longer live in a condo or own a residential condo. But 12 years ago I noticed that our \$3,500,000 reserve was down to \$27,000. I asked to see records and was accused of being in violation of 6 House Rules and fined \$7,000 per month plus attorney's fees. I paid the fines - filed and prevailed in a Condo Court case - got my fine monies refunded. In the meantime I ran for and got elected to the Board and eventually became Treasurer of my condo community. At that point I was required to view, verify and approve all expenditures. The manager told the Board that he felt "uncomfortable" with me looking at the invoices. It took months before I was able to see the condo financials (AND I was the Treasurer!). Another previous treasurer told me she was required to pay \$2000 of her personal money before the financials would be released to her.

My point is that management has sufficient power over its residents without eradicating **due process**. The reason that due process is destroyed by this measure is that most condo owners purchased a condo because they could not afford a single family home. The law allows owners of condos to be knowledgeable as to how their maintenance fees are being spent. This measure makes it financially impossible for most owners to derive any benefit of those statutes.

**HB-1897-SD-1**

Submitted on: 4/3/2026 6:07:05 PM

Testimony for JDC on 4/7/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
John Toalson	Individual	Comments	Written Testimony Only

Comments:

I agree with the intent of H.B. 1897 H.D.1, S.D.1, but I support the changes suggested in the testimony of M. Anne Anderson.

John Toalson

**The Senate  
The Thirty-Third Legislature, 2026  
Committee on Judiciary  
Tuesday, April 7, 2026  
10:15 a.m.**

To: Senator Karl Rhoads, Chair  
Re: HB 1897 HD1 SD1, Relating to Condominium Alternative Dispute Resolution

Aloha Chair Karl Rhoads, Vice-Chair Mike Gabbard, and Members of the Committee,

I respectfully oppose HB 1897 HD1 SD1.

While the measure seeks to expand alternative dispute resolution, its practical effect is to weaken—not strengthen—the rights and protections of condominium owners. Current law preserves meaningful access to challenge board actions without facing disproportionate financial risk. This balance is essential to maintaining accountability in self-governed condominium associations.

While HB 1897 HD1 SD1 superficially appears neutral or even beneficial, it fundamentally alters that balance in two important ways:

First, the bill mandates prevailing-party attorney’s fees and costs across a broad range of disputes. The “prevailing party” rule gives the appearance of fairness, however, proposed section 514B-A(b) favors associations.

An owner with a legitimate grievance still bears their own legal costs and potential liability for the association’s legal fees if they lose. Even a reasonable or partially successful claim, or a claim that fall outside narrowly defined fee-shifting provisions may result in no recovery of fees, or, worse, a net financial loss. There is no specific statutory entitlement for owners to recover those expenses unless they fully prevail.

This creates a significant deterrent for individual unit owners, who must weigh the risk of substantial financial liability against associations that can fund litigation through common expenses and spread risk across all association owners. As a result, even legitimate owner grievances and meritorious claims may go unpursued due to the risk of loss.

Second, the bill allows associations to impose legal costs on owners upfront, further shifting economic leverage, disadvantaging lower-income owners. Associations can distribute legal expenses across all owners, while individual owners must bear costs personally. This asymmetry reduces practical access to dispute resolution and undermines owner oversight.

Expanded ADR options may improve efficiency, but they do not offset the chilling effect of increased financial exposure. Rights that cannot be realistically enforced are effectively diminished.

In short, HB 1897 HD1 SD1 theoretically preserves formal owner rights but significantly reduces their practical enforceability by conditioning fee recovery on fully prevailing and increases the risk of adverse fee awards. The result is a net loss of protection for condominium owners.

I urge you to reject this measure or substantially amend it to restore balance and protect the ability of owners to seek redress without undue financial risk.

Mahalo for the opportunity to testify in opposition to this measure as written.

Lila Mower

**The Senate  
The Thirty-Third Legislature, 2026  
Committee on Judiciary  
Tuesday, April 7, 2026  
10:15 a.m.**

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I urge you to reject this measure or substantially amend it to restore balance and protect the ability of owners to seek redress without undue financial risk.

Mahalo for the opportunity to testify in opposition to this measure as written.

Lila Mower

**HB-1897-SD-1**

Submitted on: 4/4/2026 12:14:50 AM

Testimony for JDC on 4/7/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Joe M Taylor	Individual	Comments	Written Testimony Only

Comments:

H.B. 1897 H.D.1, S.D.1 is well intended, but needs to be amended. I join in the testimony of M. Anne Anderson

**HB-1897-SD-1**

Submitted on: 4/4/2026 12:14:50 AM

Testimony for JDC on 4/7/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Joe M Taylor	Individual	Comments	Written Testimony Only

Comments:

H.B. 1897 H.D.1, S.D.1 is well intended, but needs to be amended. I join in the testimony of M. Anne Anderson

**HB-1897-SD-1**

Submitted on: 4/4/2026 7:32:28 AM

Testimony for JDC on 4/7/2026 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Aaron Cavagnolo	Individual	Oppose	Written Testimony Only

Comments:

**To: Members of the Legislature**

**Re: Opposition to HB 1897 HD1 SD1**

I respectfully submit this testimony in opposition to HB 1897 HD1 SD1.

Condominium associations are often described as “mini-governments.” That comparison is accurate in key respects: boards levy mandatory assessments, adopt and enforce rules, adjudicate disputes internally, and wield enforcement powers that can ultimately result in liens or foreclosure. These are governmental functions in all but name.

What distinguishes just governments—at the state and federal level—is not simply the existence of these powers, but the **constitutional and statutory limits placed on them**, particularly limits that protect the governed from financial retaliation for exercising due process rights.

The changes proposed in HB 1897 would move condominium governance **further away from those foundational safeguards**, not closer to them.

If the State of Hawai‘i or the federal government adopted a system in which:

- Individuals were required to pay disputed charges or penalties before they could challenge them;
- Citizens who brought good-faith but unsuccessful challenges were automatically required to pay the government’s attorneys’ fees; and
- There were no meaningful safe harbors protecting people who attempted alternative dispute resolution in good faith;

Such a system would be widely recognized as incompatible with access to justice and basic principles of due process.

Yet this bill would impose precisely that risk structure on condominium owners.

Prevailing-party attorney-fee shifting, without a robust good-faith exception, does not merely deter frivolous claims. It also deters **reasonable, necessary, and public-spirited challenges**—the very challenges that expose mismanagement, procedural abuse, and violations of governing

documents. When the cost of losing is potentially ruinous, most individuals will not risk asserting their rights, no matter how legitimate their claims may be.

As someone who has attended multiple Hawai‘i legislative and administrative meetings concerning condominium law and public comments, I wish to share a consistent and troubling pattern:

I have never heard public testimony asserting that individual unit owners wield too much power.

What I have heard—repeatedly—are accounts from individual owners, including current and former board members, describing abuse within the existing system: unchecked authority, retaliatory enforcement, and the effective silencing of dissent through financial pressure.

When claims of “excessive owner power” are raised, they most often come from those who professionally represent associations and property management companies and who financially benefit from fee-shifting regimes and aggressive enforcement models. That perspective deserves consideration, but it should not outweigh the lived experience of the governed.

A system in which boards and management companies already possess significant institutional, financial, and informational advantages does not need further risk asymmetry tilted against individual owners.

Justice does not require that owners always prevail—but it does require that **good-faith challenges can be brought without fear of financial devastation.**

The strength of a governance system is not measured by how effectively it suppresses dissent, but by how well it tolerates scrutiny.

For these reasons, I respectfully urge you to reject HB 1897 HD1 SD1 or, at minimum, preserve meaningful protections for owners who seek to resolve disputes in good faith.

Thank you for the opportunity to submit this testimony.

Respectfully,

Aaron Cavagnolo, Oahu Condo Owner

**HB-1897-SD-1**

Submitted on: 4/4/2026 8:22:00 AM

Testimony for JDC on 4/7/2026 10:15:00 AM

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

Comments:

Aloha,

When you make a public decision on HB 1897 HD1 SD1 this Tuesday, 7 April, PLEASE OPPOSE THE RESCISSIONS near the end of the bill where it rescinds an important HRS 514B-157 protection for Hawaii citizen condo owners who pursue legitimate claims against developer, condo association, 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 HD1 SD1 entirely repeals (lines out) this language and replaces it with lengthy, and ambiguous, language on the numerous preceding pages 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 original language in HB 1897 HD1 SD1 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. Thank you.

Very Respectfully,

MARK L. BROWN

Colonel, U.S. Army (Retired)

# TESTIMONY IN OPPOSITION TO HB 1897 HD1 SD1

The Senate  
The Thirty-Third Legislature, 2026  
Committee on Judiciary  
Tuesday, April 7, 2026 - 10:15 a.m.

**To: Senator Karl Rhoads, Chair**

**Re: HB 1897 HD1 SD1, Relating to Condominium Alternative Dispute Resolution**

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

I respectfully oppose **HB 1897 HD1 SD1**.

Although this bill is presented as a way to expand alternative dispute resolution, I am concerned that in practice it would weaken the ability of condominium owners to challenge improper board actions without taking on serious financial risk.

Current law helps preserve a fair balance. Owners need a realistic way to raise legitimate concerns and seek accountability when boards or associations act improperly. This bill shifts that balance too far against individual unit owners.

My concern is twofold.

First, the bill expands **prevailing-party attorney's fees and costs** in a way that may appear fair on paper, but in reality favors associations. An owner with a legitimate complaint would still have to pay their own legal expenses and could also be exposed to paying the association's fees if they do not fully prevail. That is a major risk for ordinary owners.

Even when an owner has a reasonable claim, the possibility of ending up with a large legal bill can discourage them from bringing the claim at all. Associations, on the other hand, are in a much stronger position because they can fund legal action through common expenses and spread that risk across the community. Individual owners cannot.

Second, the bill allows associations to impose legal costs in ways that further increase the economic pressure on owners. This creates an uneven playing field, especially for lower-income owners, seniors, and families already struggling with rising housing costs. A right that is too expensive to enforce is not a meaningful right.

While expanding ADR may sound helpful, it does not solve the core problem here. The added financial exposure created by this bill will have a chilling effect on owners who would otherwise try to hold their associations accountable.

In short, **HB 1897 HD1 SD1 may preserve rights in theory, but it makes those rights harder to use in real life**. That is why I respectfully ask that you **reject this measure**, or substantially amend it so that condominium owners are not unfairly deterred from seeking redress.

Mahalo for the opportunity to testify in opposition to this measure as written.

Respectfully submitted,

**Kimberly Arelliano**

# TESTIMONY IN OPPOSITION TO HB 1897 HD1 SD1

The Senate

The Thirty-Third Legislature, 2026

Committee on Judiciary

Tuesday, April 7, 2026 - 10:15 a.m.

**To: Senator Karl Rhoads, Chair**

**Re: HB 1897 HD1 SD1, Relating to Condominium Alternative Dispute Resolution**

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

I respectfully oppose **HB 1897 HD1 SD1**.

As a condominium owner, I am concerned this bill would make it harder for owners to stand up to improper board action. On paper it expands alternative dispute resolution, but in practice it increases the financial pressure on individual owners and gives associations even more leverage.

First, the bill's **prevailing-party attorney's fees and costs** provision creates a serious deterrent. A unit owner can bring a good-faith complaint and still face the risk of paying not only their own fees, but also the association's fees if they do not fully prevail. For most owners, that risk alone is enough to stop them from pursuing a legitimate claim.

Second, associations are not positioned the same way as individual owners. Associations can spread legal costs across the membership through common expenses. Individual owners have to carry that burden personally. That imbalance matters. When a bill increases fee exposure without truly equal protections, it does not create fairness. It makes accountability less accessible.

I am also concerned that this measure will hit working families, seniors, and owners on fixed incomes the hardest. Those are often the very people who can least absorb the cost of a dispute, even when the issue is real and important.

ADR can be useful, but it should not come with a structure that chills owner participation and discourages owners from seeking redress. **A right that exists only for people who can afford the risk is not a meaningful right.**

For those reasons, I urge the Committee to **reject HB 1897 HD1 SD1**, or substantially amend it so condominium owners are not unfairly exposed to fee-shifting and other financial barriers when trying to enforce their rights.

Mahalo for the opportunity to testify in opposition to this measure as written.

Respectfully submitted,

**Brant Arelliano**

April 3, 2026

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

Dear Senator Rhoads, Chair, Senator Gabbard, Vice Chair, and Members of the Committee:

I am submitting **comments** on H.B. No. 1897, H.D.1., S.D.1 The bill is well intended, but needs to be amended as discussed below.

**1. Comments Regarding SECTION 2.**

The new § 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 § 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.**

SECTION 3 at pg. 4, line 19-20 and pg. 5, lines 1-5 includes a new §514B-C which provides that the condominium education trust fund may be used to provide support for: 1) facilitative mediation;

2) evaluative mediation; and 3) binding arbitration. Nonbinding arbitration should be added to the list. Nonbinding arbitration was not mentioned in the bill as initially drafted because HRS § 514B-162 was being repealed by way of the initial bill. However, HRS § 514B-162 has been restored in S.D.1. For this reason, nonbinding arbitration should be listed in the types of dispute resolution for which the condominium education trust fund may be used.

### **3. Comments Regarding SECTION 8.**

SECTION 8 amends HRS§ 514B-104(a)(11) (pg. 18, lines 14-21, pg. 19, lines 1-9) to clarify that the board may impose fines in accordance with the new § 514B-B (*i.e.*, the new provision on fines), but fails to amend HRS § 514B-104(b) which pertains to fines against tenants and conflicts with the new § 514B-B (*e.g.*, HRS § 514B-104(a)(11) provides for the imposition of a fine followed by a right to appeal, while HRS § 514B-104(b)(2) provides for a hearing before the imposition of a fine). The procedure for imposing fines against owners should be the same as the procedures for imposing fines against tenants. HRS § 514B-104(b) should be amended to make the fine procedures consistent with HRS§ 514B-104(a)(11).

### **4. Comments on SECTION 11.**

SECTION 11 of the bill amends HRS § 514B-146 to add a new subsection (g) (pg. 32, lines 20-21, pg. 33, lines 1-2) 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 pg 32, lines 20-21 through pg. 33, lines 1-2 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."

### **5. Comments on SECTION 12.**

This bill will amend HRS § 514B-163(d) to provide that if a party demanding trial de novo does not improve its position on the nonbinding arbitration award by thirty per cent or more, that party will be charged with all reasonable costs, expenses, and attorneys' fees of the trial. See pg. 37, lines 11-14. This is fine if the arbitration involves a monetary judgment, but a great number of condominium arbitrations are not about money, but instead are focused on declaratory or injunctive relief. For example, many arbitrations involve the remedy of injunctive relief related to unauthorized modifications made by an owner or declaratory relief, declaring that the governing documents are to be interpreted in a certain way. In these cases, generally there is no monetary award, other than an award of attorneys' fees and costs. The reference to improving one's position by thirty per cent or more is confusing when a trial de novo is not about money but is about injunctive or declaratory relief. It would be better to retain the "prevail at trial" language for a trial de novo on issues of

injunctive or declaratory relief and limit the “thirty per cent or more” language to judgments for monetary damages.

Sincerely,

A handwritten signature in black ink, appearing to be 'M. Anne Anderson', written in a cursive style.

M. Anne Anderson

**HB-1897-SD-1**

Submitted on: 4/4/2026 3:49:52 PM

Testimony for JDC on 4/7/2026 10:15:00 AM

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

Comments:

**To:** Senator Karl Rhoads, Chair  
Senate Committee on Judiciary

**Re:** Opposition to HB 1897 HD1 SD1 – Condominium Alternative Dispute Resolution

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

I respectfully submit testimony in **strong opposition** to HB 1897 HD1 SD1.

While this measure is framed as an effort to improve alternative dispute resolution, its actual effect is to **further imbalance the already inequitable relationship between condominium associations and unit owners**, while failing to address the core issue that continues to plague Hawaii’s condominium communities: **the absence of meaningful enforcement of existing law**.

At its foundation, this bill expands ADR processes and introduces structural changes such as mandatory evaluative mediation and prevailing-party attorney fee provisions. However, process expansion without enforcement is not reform. It is simply adding another procedural layer to a system that already lacks accountability.

**1. Enforcement, Not Process, Is the Missing Piece**

For years, owners have struggled not because of a lack of dispute resolution pathways, but because there is **no independent, empowered enforcement body** to ensure compliance with Chapter 514B.

Without enforcement:

- Violations go unaddressed unless an owner personally funds the challenge
- Boards and managing agents face little practical accountability
- Owners are forced into costly, adversarial processes simply to assert basic rights

This bill does nothing to correct that systemic failure. Instead, it assumes that more structured dispute resolution will solve the problem. **It will not.**

**2. Increased Financial Risk Will Silence Legitimate Claims**

The bill mandates prevailing party attorney's fees across a broad category of disputes. While this appears neutral, in practice it disproportionately harms individual unit owners.

Associations:

- Can distribute legal costs across all owners
- Have access to collective financial resources

Individual owners:

- Must bear costs personally
- Face the risk of paying both sides' legal fees if unsuccessful

This creates a chilling effect where **valid complaints will go unpursued**, not because they lack merit, but because the financial risk is too high.

### **3. Upfront Legal Cost Burdens Further Tip the Scale**

The bill allows associations to demand payment of legal costs and expenses, including attorney's fees, "promptly on demand".

Even with a theoretical ability to dispute later, the reality is:

- Many owners cannot afford to pay first and fight later
- This effectively **blocks access to justice for lower- and middle-income owners**
- It shifts leverage entirely to the association

Rights that require upfront payment to exercise are not meaningful rights.

### **4. Removal of Existing Protections**

The bill repeals or weakens prior statutory protections that:

- Allowed owners to challenge certain charges before payment
- Provided structured mediation safeguards
- Balanced fee recovery standards

Replacing these with a more rigid, cost-exposing system reduces, not enhances, consumer protection.

### **5. Stripping Owner Rights Is Not Reform**

Hawaii's condominium crisis is not caused by too many owner rights. It is caused by:

- Lack of oversight
- Lack of enforcement

- Lack of accountability mechanisms for boards and managing agents

This measure moves in the wrong direction by **making it harder, riskier, and more expensive for owners to challenge improper actions.**

## **Final Thoughts**

If the Legislature is serious about reforming the condominium industry, the focus must be on:

- Establishing an independent enforcement office
- Ensuring timely investigation and resolution of complaints
- Creating real accountability for violations of law

Until that foundation exists, changes like those proposed in HB 1897 HD1 SD1 will only deepen existing inequities.

As an owner within an AOA that was the victim of embezzlement by employees of our management company, I have firsthand experience with the system as it operates today. I can attest that its one-sided, opaque, and at times manipulative practices are costing owners statewide far more than is currently recognized or reported.

I respectfully urge the Committee to **reject this measure or substantially amend it** to preserve owner protections and prioritize enforcement over procedural expansion.

Mahalo for the opportunity to testify.

Respectfully,  
Jessica Herzog  
aloha@localparliamentarian.com

**HB-1897-SD-1**

Submitted on: 4/4/2026 5:35:51 PM

Testimony for JDC on 4/7/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
mary freeman	Individual	Comments	Written Testimony Only

Comments:

This bill needs some work particularly sections,, 2,3,8,11, and 12. I agree with A.M. Anderson. Attorney's fees, arbitration, rights of association and their liens on units need to be protected and clarified.

Mary Freeman

Ewa Beach

**HB-1897-SD-1**

Submitted on: 4/5/2026 9:38:50 AM

Testimony for JDC on 4/7/2026 10:15:00 AM

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

Comments:

**Aloha Happy Legislators:**

In regard to **HB 1897 HD1 SD1**, so, here we go again. After many many years of your constituents efforts to get some meaningful ‘Consumer Protection’ put into law, which finally happened, now the ‘monetized minority’, led by agents and unregistered lobbyists of the property management industry seek to once again get power back from members of Home Owners Associations (HOA), usually conondominium folks. So, I **OPPOSE** this bill.

***NO SHAME IN MUDVILLE*** - For the past decade, since Spring of **2016**, I have been coming down to Capitol in search of getting simple voting rights for HOA members in their own elections. The well organized gang of property management lobbyists know how the Hawaii Legislature ‘Pay for Play’ game works, for intance, one lady Aiea attorney who always always opposes HOA members imaginary right to cast their own ballot, made a \$6,000 donation to a CPC Chair, which obviously purchased access and favors. So, when she spoke against a Bill I had provided testimony for, guess what, he deferred the bill, killing it. Not one single CPC member voted in favor of it, simply because of fear of the Committee Chair, in my opinion. At the sham ‘Hearing’, neither the lady attorney nor the Committee Chair mentioned her generosity to him. This is the key to influence at Legislature, spread money around, legally but secretly, then oppose consumer protection bills, and win almost every time. Fortunately, the webpage of Hawaii Campaign Spending Commission is available to see who gives free money to politicians.

Yes, I am embitterred that the human traits of Greed and Avarice dominate the ‘Peoples House’ in Hawaii. They are, after all, the cornerstone of corruption, which can only be defeated when the general public stops voting for candidates who betray their trust once gaining Office by then pandering to their corporate puppet masters. Uh, I’ll not hold my breath waiting for that to happen. Consider.....

Imagine the nonsense of attending a meeting, then voting on a formal Motion, which passes, then at the next meeting the same Motion is brought back for reconsideration to be voted down. Crazy nonsense? Yes, and so it goes, year after year, decade after decade at our Hawaii Legislature where consumer ‘protection’ is perverted to become ‘Commerce Protection and Consumer Exploitation’. The ‘horror stories’ of mistreatment of HOA members by puppet rogue Boards of Directors, doing the bidding of Property Managers, results in turmoil, and fuels out-migration from Hawaii.

Please wake up and kill this 'Consumer Expoitation' bill, HB1897 HD1 SD1.

Very truly yours, Dale A. Head (age 77, student of Hawaii state government corruption)

**HB-1897-SD-1**

Submitted on: 4/5/2026 12:11:44 PM

Testimony for JDC on 4/7/2026 10:15:00 AM

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

Comments:

Dear Legislators:

I am opposed to this sham of a bill.

Studies on condo regulation in other states, improvement on rigid but ineffective dispute resolution, and vague suggestions that fee penalties be "reasonable" in this bill ("reasonable" according to whom?) will not placate those burdened with unwarranted legal debts at the hands of association boards, their managers and the attorneys, their henchmen. Only the belated determined resolve and action of legislators to provide an equitable structure of enforcement of laws protective of condo owner rights, and the recognition of the consequences of continued owner rights abuse, will.

The word "restoration" of condo owner rights would be an odd misnomer here, because since the inception of condo association living, there has been only token mention of owner rights. In its place, the early and prevailing seizure by opportunistic-minded parties of tremendous financial gains through control of association finances, and the imposition, under a "legal" guise of bloated fines against owners who seek only to defend their basic rights.

The acceptance of influence overtures by the industry must end - now. The outcry of rightful owner dissent can and will, only explode in a backfire to those who will not heed its consequences. There is no other way to euphemistically rephrase this.

There is no need to study the effectiveness of an ombudsman, or similar enforcement officer of condo laws in other states. This is needed NOW for Hawaii!

**HB-1897-SD-1**

Submitted on: 4/5/2026 2:54:44 PM

Testimony for JDC on 4/7/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Lorraine Leslie	Individual	Oppose	Written Testimony Only

Comments:

I respectfully submit testimony in strong opposition to HB 1897 HD1 SD1. While this measure is framed as an effort to improve alternative dispute resolution, its actual effect is to further imbalance the already inequitable relationship between condominium associations and unit owners, while failing to address the core issue that continues to plague Hawaii's condominium communities: the absence of meaningful enforcement of existing law.

Committee on Judiciary

Tuesday, April 7, 2026 @ 10:15 am

HB 1897\_SD1 – Condo Dispute Resolution

My name is Jeff Sadino and I **OPPOSE** this Bill as strongly as I possibly can.

**Argument:**

My reasons for opposition are:

- 1) violations of due process; and
- 2) violations of the separation of powers

**My Background:**

In the last 10 years, my Association has filed two lawsuits against me and I filed one counter lawsuit against them, so I feel I am qualified to speak on dispute resolution.

I have been testifying at the Legislature on condo issues since 2019.

**Validation of my Innocence:**

Throughout the three lawsuits, not one time did the Association receive a ruling in their favor on the merits of any of the three lawsuits.

In 2022 and 2023, we fired our Managing Agent of 50 years Hawaiiana and the attorneys who initiated the two lawsuits against me, indicating the so called “experts” provided defective advice to the Association.

Last year, I was involuntary promoted to be Board President by the other Board Members.

## **Sections of Concern:**

I want to focus my testimony on the two most harmful portions of this Bill and ask that you remove them. These portions relate to collection of amounts claimed, disputes, and the validity of claims and importantly the concerns of the CPN Committee. Specifically, the parts with a strike-through:

### 514B-A(b) (page 2):

(b) All costs and expenses, including reasonable attorneys' fees, incurred by or on behalf of an association in connection with collecting delinquent assessments, foreclosing any lien on a unit owner's unit, or the interpretation or enforcement of the declaration, bylaws, house rules, this chapter, or the rules of the commission, ~~shall be promptly paid on demand to the association by the unit owner or tenant assessed for the costs and expenses; provided that these amounts may be disputed in accordance with section 514B-146~~ if those amounts have not been awarded pursuant to the judgment of a court or the award of an arbitrator.

### 514B-146(d)(1-3) (page 31):

(d) A unit owner may dispute other assessments, apart from a common expense assessment, before making payment. A unit owner who disputes an assessment may request a written statement that clearly details:

(1) The common expenses included in an assessment and the due date of each amount of common expense assessed;

(2) The amount of any charge included in the assessment that is not imposed on all unit owners as a common expense, such as a fine or penalty, or a late fee or filing fee; and

(3) The amount of attorneys' fees and costs, if any, included in the assessment.

In responding to the request, the association shall include a disclaimer that under state law, a unit owner has no right to withhold payment of a common expense assessment for any reason, but that the obligation to pay a common expense assessment may be disputed after the assessment has been paid in full. The association shall also include in the disclaimer that a unit owner may dispute other assessments, apart from a common expense assessment, ~~before making payment~~, and that the right to contest assessments is described in section 514B-D and this section.

#### **Previous CPN Hearing:**

I will note that at the previous Hearing in the CPN Committee, **the Vice Chair voted in opposition** since a working group has been studying dispute resolution since 2023 and is scheduled to deliver their recommendations to the Legislature in May 2026.

Additionally, the Chair said “**Further discussion is needed on the fines deemed collectable section and that there is a working group working on these issues right now. Normally we would wait for those recommendations to conclude before making statutory changes.**” The Chair wanted to keep the Bill moving since this is a large Bill but he was clearly concerned that the parts regarding collection of amounts **claimed to be owed** needs additional work and discussion.

#### **Discussion:**

Approaching this from a Judiciary angle, these parts violate two of the most fundamental principles of law, which are:

- 1) that people are innocent until proven guilty; and
- 2) separation of powers

For the Association to assert claims of wrongdoing and to be able **to enforce financial remedies without having to prove their claims is an egregious, blatant, obvious violation of due process.**

This Bill attempts to mitigate this violation by offering dispute resolution procedures. However, if an Owner disputes the claims of wrongdoing, **the people who are arbitrating the dispute are the same people who made the claim in the first place**; this is done using procedures that do not follow rules of discovery and are **another violation of due process**. Imagine a judicial system where the Plaintiff and the Judge are the same person and where the evidence does not need to be shared with the Defendant. That is how dispute resolution works in condominiums currently.

This Bill attempts to mitigate this conflict of interest by offering small claims, mediation, litigation, etc. However, I can tell you from personal experience that the financial threshold to access these forums are inaccessible, even for wealthy people, much less those who are the most vulnerable amongst us and on a fixed income.

For me, I had to write, out of my own personal checking account, over \$100,000 to my attorneys. If we went to trial, I would have paid an additional \$100,000 to my attorneys and if I lost, I would have owed \$200,000 to the association attorneys. **This is absolutely insane for everyone except the attorneys!**

Remember also that the Association did not receive one ruling in their favor on their merits, we fired our Managing Agent, and we fired our attorneys. However, none of that does anything to repair or lessen the destruction caused in the life of the individual owner.

I will also disclose that the Association's attorneys admitted to posting and demanding from me **over \$5,000 in erroneous charges**. I only discovered this through the judicial

Discovery process, which does not exist in regular condominium dispute resolution. Charges like this can grow exponentially when disputed and can absolutely destroy people on a fixed income before they **prove their innocence**.

I also urge you to read the testimony of Jessica Herzog in opposition, which is one of the most concise and accurate descriptions I have ever read of the real problems of dispute resolution for condos, correctly identifying that **enforcement of current laws is the problem** (emphasis in original):

While this measure is framed as an effort to improve alternative dispute resolution, its actual effect is to **further imbalance the already inequitable relationship between condominium associations and unit owners**, while failing to address the core issue that continues to plague Hawaii's condominium communities: **the absence of meaningful enforcement of existing law**.

**Conclusion:**

I urge you to recognize the very real and obvious constitutional violations of due process & separation of powers, the concerns of the CPN Chair & Vice Chair, and the very real danger this would pose to those who are the most financially vulnerable amongst us.

**Despite my innocence, I almost went bankrupt and lost everything I have ever worked for in my entire life because of the “pay-first, dispute-later” procedure that existed prior to its removal in 2019.**

I urge you to stop this evil reincarnation and remove the “pay-first, dispute-later” sections 514B-A(b) & 514B-146(d)(1-3).

Thank you for your consideration,

Jeff Sadino

Board President

**HB-1897-SD-1**

Submitted on: 4/5/2026 4:49:58 PM

Testimony for JDC on 4/7/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jonathan Ulibas	Individual	Oppose	Written Testimony Only

Comments:

This proposal tilts power toward associations by reducing owners' leverage and has an alarming effect on owners' claims, such that legitimate owner grievances can go unpursued and boards have reduced accountability. Additionally, under the proposed measure, HB 1897 HD1 SD1, associations can charge condo owners upfront for legal costs. Currently, we have the right to dispute those legal fees before having to pay them.

**HB-1897-SD-1**

Submitted on: 4/5/2026 7:08:51 PM

Testimony for JDC on 4/7/2026 10:15:00 AM

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

Comments:

My Testimony re HB 1897 HD1 SD1

April 7, 2026

Sheldon S Y Lee

The wording of this bill is very complicated and I doubt that many readers would be able to understand it. A flowchart of the dispute resolution process would be helpful, if it were drawn up clearly.

At the Dowsett Point condominium, a board member complained to a contractor about a “pile of junk” that the contractor had left in a hallway. The board president told the association attorney to issue a cease-and-desist letter. On top of that, the woman’s account was billed almost \$5,000 in legal fees for the letter. “Have a Complaint About Your Condo? You May Get Slapped with Paying for the Lawyers Who Fight You,” *Civil Beat*, April 19, 2023  
<https://www.civilbeat.org/2023/04/have-a-complaint-about-your-condo-you-may-get-slapped-with-paying-for-the-lawyers-who-fight-you/>

At the same condominium, another board member talked with the site manager about a safety concern. She received a cease-and-desist letter and a bill for legal fees of more than \$1,300. Similar letters were sent to other owners.

At another building, an owner objected to a shade that the board planned to install on her porch. She received a letter from the association attorney and a demand for payment of more than \$3,000 in legal fees. The owner, a retired woman with limited income, wrote a letter asking the board to justify the bill. Three weeks later, the amount of the bill increased to \$5,000, even though she had not received any response to her letter.

<https://www.civilbeat.org/2024/01/slam-the-brakes-on-runaway-legal-fees-charged-by-condo-boards/>

At the building where I live, there was a large fan in a corner of the parking garage. It was always running, but the screen over it had broken apart. A stray animal, child or adult might have been injured or worse. I notified the site manager and management company about the fan and it was repaired.

Should I have been fined and charged with outrageous legal fees for what I did? HRS 514B should protect unit owners from being retaliated against when they speak up about safety and maintenance at their buildings.

They should not be required to pay excessive charges, even when disputes are still not resolved.

**HB-1897-SD-1**

Submitted on: 4/5/2026 7:34:15 PM

Testimony for JDC on 4/7/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Carol Walker	Individual	Comments	Written Testimony Only

Comments:

H.B. 1897 H.D.1, S.D.1 is well intended, but needs to be amended. I join in the testimony of M. Anne Anderson.

Carol Walker

**HB-1897-SD-1**

Submitted on: 4/6/2026 8:28:14 AM

Testimony for JDC on 4/7/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Nancy Manali-Leonardo	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Rhoads, Vice-Chair Gabbard, and members of the Committee,

Re: HB1897, HD1, SD1

My name is Nancy Manali-Leonardo. I am a retired senior who has worked hard for the condo I have lived in for the last 20 yrs.

This Bill is plain and simply abusive.

It suffocates the spirit of community and gives additional unchecked power to rogue boards and self-serving lobbyists who craft these Bills that greatly increase the financial bleeding of owners, and especially senior owners who now live on fixed incomes.

As a retired registered nurse hear me when I say the stories from Kupuna are real about condominium abuse and retaliation from board members, management companies and condo vendors.

Proposed HB1897 is just another form of abuse now after a bigger prize to AOA's. It could cause owner homelessness and/or property loss via leins.

I respectfully ask the Chairs and Committee members to not pass HB1897.

Mahalo,

Nancy Manali-Leonardo

Condo owner (Honolulu)

808-542-1556

**LATE**

**HB-1897-SD-1**

Submitted on: 4/6/2026 10:59:45 AM

Testimony for JDC on 4/7/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Cindy Sison	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill and ask that you do not support this bill.

Thank you

**LATE**

**HB-1897-SD-1**

Submitted on: 4/6/2026 3:40:33 PM

Testimony for JDC on 4/7/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Samantha Tudor	Individual	Oppose	Written Testimony Only

Comments:

I firmly appose this bill , it would severely hurt owners and their rights.

**LATE**

**HB-1897-SD-1**

Submitted on: 4/6/2026 9:45:45 PM

Testimony for JDC on 4/7/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
TOBY SISON	Individual	Oppose	Written Testimony Only

Comments:

Good morning or afternoon,

I would like to oppose this bill due to my HOA wrongfully using our money for unnecessary or stolen usage I would like to continue a voting system with HOA and house owners and agreeing upon the right use of our money as homeowners. In the pass we've Heard and seen our HOA abusing our money for Unnecessary charges and evaluations all at one time rather than one project at a time or even letting homeowners have a voice and the choice. Due to the unnecessary use of money within our HOA from previous presidents in charge I will be voting oppose to this bill.

Mahalo,

-Toby Sison

TESTIMONY IN OPPOSITION TO HB1897 HD1 SD1

**LATE**

Committee on Judiciary (JDC)

**DATE:** Tuesday, April 7, 2026  
**TIME:** 10:15 AM  
**PLACE:** Conference Room 016  
& VIDEOCONFERENCE  
State Capitol  
415 South Beretania Street

**From:** Gregory Misakian (as an individual)

**Submitted:** 4/7/26

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

**I am in strong opposition to HB1897 HD1 SD1 and urge you to please defer this bill.**

This bill, clearly written and supported by attorneys, is an affront to every condominium owner in Hawaii. It has been 100% clear to me for a long time how the wheels of injustice sometimes turn in Hawaii at the legislature, and this is a classic example.

My Background

I currently serve as:

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

I previously served on the Waikiki Neighborhood Board from Jan. 2023 to June 2025.

HB1897 HD1 SD1 is very concerning for many reasons, too many to list here, but others who have submitted written testimony have provided good summaries. The key take away is that this bill will weaken condominium owner's rights, and set back consumer protections that

previous legislation attempted to provide with some level of fairness (although I use the term fairness loosely). This bill also focuses on mediation with very strict rules and timelines, and is a path to litigation vs. the solution that Hawaii urgently needs, an Ombudsman;s Office for Condominium Owners and Associations, which would be a much better place to resolve disputes before costly mediations and litigation are needed.

What I will focus on in my testimony are those behind this bill, as this is the elephant in the room for a long time, and there is truly a point when enough is enough. Those who are either drafting this very bad bill or supporting it, are part of a core group of attorneys and representatives for management companies, and one Real Estate Commissioner who also works for Associa, and I share concerns of conflict of interest for all.

I am also including as testimony for HB1897 HD1 SD1, my written testimony for the April 2, 2026 Condominium Property Regime (CPR) Task Force meeting that I attended via Zoom (please read on).

Respectfully,

Gregory Misakian

## **TESTIMONY**

**Submitted for the Condominium Property Regime (CPR) Task Force Meeting**

**Date: April 2, 2026, at 1:00 PM  
Queen Liliuokalani Conference Room  
King Kalakaua Building  
335 Merchant Street, 1st Floor  
Honolulu, Hawaii 96813  
And Via Zoom**

**From:** Gregory Misakian (as an individual)

C: (415) 871-8141

Email: greg.misakian@sbcglobal.net

**Submitted:** 4/1/26

## My Background

I currently serve as:

- ❖ President, Kokua Council
- ❖ Vice President, Hawaii Alliance for Retired Americans (HARA)
- ❖ Director, Keoni Ana AOAO

I previously served on the Waikiki Neighborhood Board from Jan. 2023 to June 2025.

I have been advocating for condominium owners in Hawaii since 2021, when I realized how bad things were here as an owner and from speaking with many other owners. I have a good understanding of HRS 514B and associated laws that govern condominium associations and management companies that oversee them. I also have experience with condominium issues in California for many years as Power of Attorney for a condominium owner in San Francisco, and have a good understanding of California's Davis-Stirling laws.

I am submitting testimony to the Condominium Property Regime (CPR) Task Force today with even more concerns than I previously had. Some of these concerns are with the Task Force, and some are related to just how urgent it is that condominium owners have a place to go for assistance and enforcement of the laws that govern condominium association and HOAs (both internal via governing documents and external via state laws, such as HRS 514B). This place, which numerous states with many condominiums have established, is an **Ombudsman's Office for Condominium Associations and HOAs**.

With the passing of Act 189 in 2023, the Hawaii State Legislature recognized that Hawaii has numerous unresolved issues related to disputes within condominium associations that require better laws to protect the public from unwarranted assessments, fines, legal fees, and retaliation.

Act 189 established a Condominium Property Regime (CPR) Task Force to study and make recommendations on issues within Hawaii's condominium laws, including disputes, board governance, and dispute resolution, with reports due to the legislature. The CPR Task Force published their formal findings and recommendations to the Legislature in December of 2023, and the Legislature passed on the baton to the Legislative Reference Bureau in the 2024 session with the passing of Act 43, which provided funding for a study and research report on condominium issues and how they are addressed in five pre-selected States (California, Delaware, Florida, Massachusetts, and Nevada). This report, at a cost of over \$300,000, was published in November 2025 and confirmed that some states have Ombudsman's

Offices to assist the public with disputes, and some have additional enforcement elements. Ironically, this report did not include a review of Hawaii, which begs the question why not.

What is well known from years of testimony, numerous reports previously published, the December 2023 CPR Task Force report, and the Legislature via Act 189 (2023) and Act 43 (2024), is that the current structure in Hawaii to address condominium issues and disputes is not working. Hawaii urgently needs to shift to a better and more consumer friendly model, or face continuing discourse, more unnecessary condominium related litigation, and more homeowners at risk of losing their homes or facing unaffordable legal fees.

Better consumer protections are needed to ensure that condominium associations, their Boards, and their Managing Agents are compliant with the laws that govern condominium associations, including governing documents and HRS 514B statutes.

This year, two committee chairs - Scot Matayoshi (CPC) and Jarrett Keohokalole (CPN) could have done something to help all condominium owners, but chose to not schedule a committee hearing for the most important condominium bill of the 2026 legislative session - HB2453 (companion - SB3309), which would have established an Ombudsman's Office for Condominium Owners and Associations, and required no state funding.

To highlight how serious the concerns are - at my condominium association, where I serve as a director, there is gross mismanagement, misconduct, and serious deferred maintenance impacting the safety and well-being of the owners, residents, staff, and others that visit our building. During the recent rainstorms Hawaii experienced, the building had water entering in from many places, including into the elevator room, with water cascading down the stairwells and believed to have flowed down the elevator shaft (from evidence of paint blistering near the elevator doors throughout the building). Water was everywhere, and carpets on numerous floors were saturated. One area of water entry has been known for a long time and the former maintenance manager was trying to repair this and raised other concerns about the building, but he was retaliated against and his position was terminated. There was a lawsuit against the association regarding this, and a recent settlement that is now public record. The fire alarm system also showed numerous trouble alerts, as alarms, pull stations, and wiring were never properly installed on the roof and weatherproofed. No fire watch was ever established for the many days this issue existed or has existed in the past, and the water that flowed down the stairwell was never addressed, and was still there days after the storm ended and the building lost power (just as I was online testifying at a committee hearing via Zoom). This issue is also a longstanding one for years, and I had provided a detailed report to the Board years ago of what was wrong and what needed to be corrected, yet very little was ever done. And while I walked down 18 stories of stairs, mostly in the dark as most of

the emergency lighting batteries did not work, I held my cellphone flashlight to guide kupuna and let them know there were water puddles on many of the landings.

These are just two examples of what happens when there is bad leadership and bad management companies at condominium associations, and others who go along to get along (which is often seen at the CPR Task Force and the legislature). It's status quo, until someone gets hurt, and then everyone starts pointing fingers.

**Lets not forget:**

*On June 24, 2021, at approximately 1:22 a.m. EDT, Champlain Towers South, a 12-story beachfront condominium in the Miami suburb of Surfside, Florida, United States, partially collapsed, causing the deaths of 98 people.*

This building collapse was attributed to concrete and steel rebar damage from longstanding water intrusion of the building.

Deferred Maintenance due to "Deferred Government" is not what the people of Hawaii want to see.

**My Continuing Concerns and Requests to the CPR Task Force and Legislators**

At the start of numerous CPR Task Force meetings (including the last one), the Chair spends an unacceptable amount of time reading rules and slowly reading every single letter of numerous links and email addresses. I have never seen this before in any of the many meetings I participate in, and ask that this practice be stopped. It wastes important meeting time and is disrespectful to those waiting to do business, and the public waiting to provide testimony.

At the last CPR Task Force meeting on March 6, 2026, members of the public, including myself were not respected again. One person who was testifying was abruptly cut off, while a known associate of the Chair was allowed to speak for an extended period of time. The Chair also likes to interrupt those speaking sometimes when he doesn't like what they are saying, indicating it is not relevant to the agenda item, when in fact it is.

At the end of the 3/6/26 meeting, the public was again disrespected, and in this case it was me. Task Force member Keali'i Lopez motioned to add something to the agenda, which was already publicly noticed and all meeting agenda items had concluded. Ms. Lopez motioned to discuss my written testimony submitted for the meeting. She was told by Mr. Kedin

Kleinhans that a 2/3 vote was required, which they did not have. This motion was improper for other reasons, including that the agenda was already adopted, the public would not have been noticed, and most concerning, this action was retaliatory in nature. Ms. Lopez went on to further state she did not appreciate my testimony with reference to campaign donations Mr. Nerney made. Without any agenda item, a 2/3 vote, and the Task Force and the Chair all knowing this was improper, a discussion ensued and some derogatory comments were made. The Chair never stopped the discussion as he should have and my raised hand was ignored, and I had no way to object, as the public is locked out and can't speak until the Chair acknowledges them. Eventually the discussion stopped and the issue was tabled, but before the meeting was adjourned, members of the Task Force said they would continue the discussion after the meeting (which I am aware that they did). There are numerous issues and violations of protocol and Robert's Rules with respect to all of this, but the most concerning is that members of the CPR Task Force are now engaged in violations of the Sunshine Law, and I do have a verbal opinion from the Office of Information Practices (OIP).

As I repeat in my testimony again here - the CPR Task Force should be respectful of their duties, and also respectful to those legislators who enacted a law to convene the Task Force, representing thousands of condominium owners throughout Hawaii. And, the Task Force members should always be respectful of the public, especially one who has the depth of knowledge to know what is wrong, what needs to be fixed, and those who are impeding the process.

I am again requesting that the CPR Task Force please act properly as a group, and with urgency, on the issues and concerns that need attention and new legislation that is needed. In my opinion and others, you are not, and again you have not addressed the most important bill this year that was introduced to help condominium owners - **HB2453** (companion **SB3309**).

As I stated previously, it is my opinion (with evidence to support), that the CPR Task Force Chair continues to influence the legislature, and often not for the best interests of condominium owners. There is also a conflict of interest when the Chair is regularly suing condominium owners. Here is just some of the public record:

**Campaign Contributions Received By Hawaii State and County Candidates From January 1, 2015 Through June 30, 2025**

				<b>Amount</b>	<b>Aggregate</b>
Matayoshi, Scot	Individual	Nerney, Philip	06/05/2025	\$250.00	\$250.00
Luke, Sylvia	Individual	Nerney, Philip	05/21/2025	\$5,000.00	\$6,000.00
Keohokalole, Jarrett	Individual	Nerney, Philip	01/07/2025	\$500.00	\$500.00

Keohokalole, Jarrett	Individual	Nerney, Philip	06/18/2024	\$250.00	\$600.00
Kidani, Michelle	Individual	Nerney, Philip	06/12/2024	\$250.00	\$500.00
Takenouchi, Jenna	Individual	Nerney, Philip	06/11/2024	\$1,000.00	\$1,000.00
Luke, Sylvia	Individual	Nerney, Philip	01/10/2024	\$1,000.00	\$1,000.00
Keohokalole, Jarrett	Individual	Nerney, Philip	01/04/2024	\$100.00	\$350.00
Kidani, Michelle	Individual	Nerney, Philip	12/22/2023	\$250.00	\$250.00
McKelvey, Angus	Individual	Nerney, Philip	08/23/2023	\$250.00	\$250.00
Keohokalole, Jarrett	Individual	Nerney, Philip	07/25/2023	\$250.00	\$250.00
Bissen, Richard	Individual	Nerney, Philip	08/17/2022	\$750.00	\$1,000.00
Luke, Sylvia	Individual	Nerney, Philip	07/08/2022	\$2,000.00	\$4,000.00
Bissen, Richard	Individual	Nerney, Philip	07/07/2022	\$250.00	\$250.00
Takenouchi, Jenna	Individual	Nerney, Philip	06/03/2022	\$1,000.00	\$1,000.00
Luke, Sylvia	Individual	Nerney, Philip	12/08/2021	\$2,000.00	\$2,000.00
Rhoads, Karl	Individual	Nerney, Philip	07/29/2021	\$1,000.00	\$1,000.00
Takumi, Roy	Individual	Nerney, Philip	03/25/2020	\$150.00	\$650.00
Cullen, Ty	Individual	Nerney, Philip	11/05/2019	\$250.00	\$400.00
Rhoads, Karl	Individual	Nerney, Philip	09/18/2019	\$2,000.00	\$2,350.00
Luke, Sylvia	Individual	Nerney, Philip	05/07/2019	\$250.00	\$500.00
Yamane, Ryan	Individual	Nerney, Philip	04/25/2019	\$150.00	\$150.00
Cullen, Ty	Individual	Nerney, Philip	04/24/2019	\$150.00	\$150.00
Takumi, Roy	Individual	Nerney, Philip	04/16/2019	\$500.00	\$500.00
Luke, Sylvia	Individual	Nerney, Philip	01/11/2019	\$250.00	\$250.00
Rhoads, Karl	Individual	Nerney, Philip	01/11/2019	\$175.00	\$350.00
Green, Josh	Individual	Nerney, Philip	07/12/2018	\$500.00	\$500.00
Maluafiti, Alicia	Individual	Nerney, Phillip	07/09/2018	\$500.00	\$1,000.00
Fukunaga, Carol	Individual	Nerney, Philip	06/13/2018	\$500.00	\$700.00
Maluafiti, Alicia	Individual	Nerney, Phillip	06/04/2018	\$500.00	\$500.00
Yamane, Ryan	Individual	Nerney, Philip	04/27/2018	\$150.00	\$150.00
Cullen, Ty	Individual	Nerney, Philip	04/16/2018	\$150.00	\$150.00
Luke, Sylvia	Individual	Nerney, Philip	04/12/2018	\$250.00	\$250.00
Kidani, Michelle	Individual	Nerney, Philip	02/13/2018	\$150.00	\$450.00
Rhoads, Karl	Individual	Nerney, Philip	11/08/2017	\$175.00	\$175.00
Fukunaga, Carol	Individual	Nerney, Philip	09/15/2017	\$200.00	\$200.00
Keith-Agaran, Gilbert	Individual	Nerney, Philip	01/31/2017	\$250.00	\$250.00
Rhoads, Karl	Individual	Nerney, Philip	09/26/2016	\$1,000.00	\$2,150.00
Rhoads, Karl	Individual	Nerney, Philip	07/02/2016	\$1,000.00	\$1,150.00
Yamane, Ryan	Individual	Nerney, Philip	04/04/2016	\$50.00	\$150.00
Luke, Sylvia	Individual	Nerney, Philip	03/29/2016	\$250.00	\$500.00
Kidani, Michelle	Individual	Nerney, Philip	02/24/2016	\$150.00	\$300.00
Rhoads, Karl	Individual	Nerney, Philip	01/20/2016	\$150.00	\$150.00
Keith-Agaran, Gilbert	Individual	Nerney, Philip	01/15/2016	\$150.00	\$300.00
Luke, Sylvia	Individual	Nerney, Philip	11/03/2015	\$100.00	\$250.00

Luke, Sylvia	Individual	Nerney, Philip	03/20/2015	\$150.00	\$150.00
Kidani, Michelle	Individual	Nerney, Philip	02/20/2015	\$150.00	\$150.00
Keith-Agaran, Gilbert	Individual	Nerney, Philip	01/08/2015	\$150.00	\$150.00

## eCourt Kokua - Public Record Screenshot 4/1/26

Party Name	Case	Case Type	Filing Date	Next Event	Party Type	Party ID
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200 case(s) found, displaying 20 case(s), from 1 to 20. Page 1 / 10

Nerney , Philip S.	<a href="#">1CCV-25-0000912</a> - AOA of Plaza Landmark v. Stewart	Circuit Court Civil	03-JUN-2025		Attorney	<a href="#">A4275</a>
Nerney , Philip S.	<a href="#">1CCV-25-0000911</a> - AOA of Plaza Landmark v. Murakami	Circuit Court Civil	03-JUN-2025		Attorney	<a href="#">A4275</a>
Nerney , Philip S.	<a href="#">1CCV-25-0000094</a> - DEUTSCHE BANK NATL TRUST CO VS NIKO M J KOGA, ETAL	Circuit Court Civil	22-JAN-2025		Attorney	<a href="#">A4275</a>
Nerney , Philip S.	<a href="#">1CCV-24-0001131</a> - AOA of 909 Kapiolani v. Oyuela	Circuit Court Civil	14-AUG-2024		Attorney	<a href="#">A4275</a>
Nerney , Philip S.	<a href="#">5CCV-24-0000062</a> - FINANCE OF AMERICA v ESTATE OF DEBRA ALTMAN etc	Circuit Court Civil	27-JUN-2024		Attorney	<a href="#">A4275</a>
Nerney , Philip S.	<a href="#">1CCV-24-0000665</a> - AOA of Nalanui Hale v. Naito	Circuit Court Civil	20-MAY-2024		Attorney	<a href="#">A4275</a>
Nerney , Philip S.	<a href="#">5CCV-24-0000052</a> - AOA of Lihue Townhouse v. Kamraithong	Circuit Court Civil	17-MAY-2024		Attorney	<a href="#">A4275</a>
Nerney , Philip S.	<a href="#">5CCV-24-0000049</a> - AOA Lihue Townhouse v. Evan Simeona et al.	Circuit Court Civil	15-MAY-2024		Attorney	<a href="#">A4275</a>
Nerney , Philip S.	<a href="#">5CCV-24-0000018</a> - AOA of Lihue Townhouse v. Altman	Circuit Court Civil	28-FEB-2024		Attorney	<a href="#">A4275</a>
Nerney , Philip S.	<a href="#">1CCV-24-0000246</a> - AOA of Hanohano Hale v. Touchstone, et al.	Circuit Court Civil	20-FEB-2024		Attorney	<a href="#">A4275</a>
Nerney , Philip S.	<a href="#">1CCV-24-0000122</a> - NewRez d/b/a Shellpoint v. Nakasone, et al	Circuit Court Civil	25-JAN-2024		Attorney	<a href="#">A4275</a>
Nerney , Philip S.	<a href="#">1CCV-23-0001364</a> - US BANK TRUST NATL ASSOC VS KAY KAZUKO ZUKERAN	Circuit Court Civil	20-OCT-2023		Attorney	<a href="#">A4275</a>

Nerney , Philip S.	<a href="#">1CCV-23-0001186</a> - <i>FEDERAL HOME LOAN MORTGAGE CORP vs. BRENDA REICHEL</i>	Circuit Court Civil	13-SEP-2023		Attorney	<a href="#">A4275</a>
Nerney , Philip S.	<a href="#">1CCV-23-0001116</a> - <i>AOAO of The Village Maluhia v. Plotzeneder</i>	Circuit Court Civil	28-AUG-2023		Attorney	<a href="#">A4275</a>
Nerney , Philip S.	<a href="#">1CCV-23-0001073</a> - <i>First Hawaiian Bank v. Florida D. Villaroz</i>	Circuit Court Civil	18-AUG-2023		Attorney	<a href="#">A4275</a>
Nerney , Philip S.	<a href="#">1CCV-23-0000728</a> - <i>AOAO of Streamside at Launani Valley v. Mastel</i>	Circuit Court Civil	02-JUN-2023		Attorney	<a href="#">A4275</a>
Nerney , Philip S.	<a href="#">SCWC-18-0000783</a> - <i>Princeville II CA v. AOAO of Emmalani Court, et al</i>	Appln for Writ of Certiorari	03-MAY-2023		Attorney	<a href="#">A4275</a>
Nerney , Philip S.	<a href="#">1CCV-23-0000539</a> - <i>MORTGAGE ASSETS MGMT, LLC VS STEVEN SHUJI FUKU</i>	Circuit Court Civil	26-APR-2023		Attorney	<a href="#">A4275</a>
Nerney , Philip S.	<a href="#">5CCV-23-0000002</a> - <i>AOAO of Nihilani v. Nationstar</i>	Circuit Court Civil	17-JAN-2023		Attorney	<a href="#">A4275</a>
Nerney , Philip S.	<a href="#">1CCV-22-0001565</a> - <i>AOOU of Waikalua Bayside v. Vintayen</i>	Circuit Court Civil	12-DEC-2022		Attorney	<a href="#">A4275</a>

It's time the CPR Task Force is reorganized with all potential conflicts of interest removed, new members of the public added, and a new Chair selected.

Respectfully,

Gregory Misakian