

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

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

**On the following measure:  
H.B. 276, H.D. 1, 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 provides comments on this bill.

The purpose of this bill is to exclude a homeowner-developer from the annual requirement to file a developer's report and pay a fee if the homeowner's development consists of no more than two units, one in which the developer resides and one for which the initial sale of the other unit has been completed.

Developers of condominium projects are required to file annual reports with the Commission until all units of the project have been sold, pursuant to section 514B-58, HRS. This bill would provide relief for certain developers of two-unit projects, where the developer resides in one unit and does not intend to sell their unit, from filing annual reports.

The annual report serves as a reminder to the developer to update their developer's public report for any changes to the project which may materially impact the value and usage of a unit to a prospective purchaser, for example, modifications to easement rights or amendments to the bylaws governing commercial or pet practices. As these developers would not be required to sell all units of the project, the Commission believes the proposed language on page 2, lines 8-13, may conflict with the existing language on page 2, lines 5-6, that "the initial sales of all units have been completed" (emphasis added).

Furthermore, the Commission shares concerns that, without a continuous reminder to developers, if changes are made to the project and a developer decides to sell their second unit, the developer may forget to update their developer's public report to reflect those changes. Developers must ensure their developer's public report are

accurate and adequately discloses all material information about the project and the units being sold to protect prospective purchasers. The filing of annual reports also protects developers from possible accusations of fraud and omission in a later sale as the information provided to purchasers about the project is kept up to date.

The Commission understands this proposed exemption is limited in nature. To offer a balance of protecting both prospective purchasers and developers in maintaining accurate information about the condominium project and its units, while ultimately relieving the burden of filing annual reports, the Commission offers the following alternative language to subsection (b) for the Committee's consideration:

*The developer, its successor, or assign shall be relieved from filing subsequent annual reports pursuant to this section:*

*(1) After filing an annual report notifying that the initial sales of all units have been completed[-]; or*

*(2) Where:*

*(A) The project consists of not more than two units;*

*(B) One of the units has been the principal place of residence of the developer, its successor, or assign, for at least ten years after the anniversary date of the first effective date for a developer's public report; and*

*(C) The initial sale of the other unit has been completed.*

*If there are any changes to the conditions specified in this paragraph, then the developer, its successor, or assign shall resume filing subsequent annual reports.*

Thank you for the opportunity to testify on this bill.

March 24, 2026, 9:35 a.m.

Hawaii State Capitol

Conference Room 229 and Videoconference

**To: Senate Committee on Commerce and Consumer Protection**

**Sen. Jarrett Keohokalole, Chair**

**Sen. Carol Fukunaga, Vice-Chair**

**From: Grassroot Institute of Hawaii**

**Ted Kefalas, Director of Strategic Campaigns**

TESTIMONY SUPPORTING HB276 HD1 — RELATING TO CONDOMINIUMS

Aloha Chair, Vice Chair and other Committee Members,

The Grassroot Institute of Hawaii **supports** [HB276 HD1](#), which would exempt certain builders of condominiums from needing to file annual reports on unsold units and pay associated fees.

Current law requires that anyone who uses a condominium property regime to subdivide land must file an annual report and pay a \$50 annual fee until every unit they built using the CPR subdivision is sold.

Some builders who use CPRs in conjunction with subdivision intend to live in one of the units they build. This means that these owner-occupants must continue to file the report and pay the \$50 fee for as long as they own the home.

HB276 would eliminate this onerous regulation for small-scale homebuilders.

Ted Kefalas

Director of Strategic Campaigns

Grassroot Institute of Hawaii

Ryan K. Gomes  
Email: rkgomes@gmail.com  
Phone: 808-348-4074

March 20, 2026

To the Honorable Members of the Hawaii State Legislature, the House Committee on Housing, and the sponsors of HB276 HD1:

Re: Opposition to HB276 HD1 – Relating to Condominiums

I am writing as a private, concerned citizen to respectfully oppose HB276 HD1, Relating to Condominiums.

I understand that the bill is intended to relieve certain homeowner-developers from the burden of filing annual reports and paying the associated \$50 annual fee under section 514B-58, Hawaii Revised Statutes, when a property is subdivided into no more than two condominium units and the developer resides in one unit while the other has been initially sold.

I recognize the positive intent of this measure: it seeks to ease administrative and financial obligations for small, owner-occupied projects that may not resemble traditional, large-scale condominium developments. For some homeowners, especially kupuna or families with limited financial means, the recurring reports and fees can feel disproportionate to the size of their project.

However, I have serious concerns about the broader implications of carving out this exemption. Removing the ongoing reporting obligation for any qualifying two-unit condominium property regime could weaken transparency and oversight in our real estate and condominium markets. Even a two-unit project can involve complex ownership interests, potential disputes, and consumer protection issues for the non-owner-occupant unit.

Annual developer reports provide a regular mechanism for the State to monitor compliance, gather basic information, and ensure that homeowners purchasing units – even in small projects – have some assurance that the development is being tracked within an established regulatory framework. Exempting a category of developments from this ongoing reporting could create information gaps and make it harder for regulators, buyers, and neighbors to understand how these projects are operating over time.

I am also concerned that the criteria in the bill may be difficult to monitor or could be used in ways not originally intended. For example, a developer could structure a project as a series of two-unit condominium property regimes to fit within the exemption, or circumstances could change over time so that the unit that was originally the developer's principal residence is no longer owner-occupied. Without a continuing reporting obligation, there may be no clear, routine way for the State to verify that the conditions for the exemption are still being met.

Additionally, the bill appears to provide permanent relief from subsequent annual reports once the initial sale of the other unit is completed, even though issues relating to governance, maintenance responsibilities, and use restrictions can continue for many years after the initial sale. These are precisely the types of issues that can affect the quality of life for residents and the character of surrounding communities, including parking, noise, and density impacts on already crowded neighborhoods.

If the Legislature wishes to assist genuine homeowner-developers with limited means, there are alternatives that would preserve transparency while reducing burdens. Options could include simplifying the reporting form for small, owner-occupied projects, reducing but not eliminating the annual fee, or limiting the duration of any exemption so that it is periodically reevaluated. Such targeted approaches could better balance relief for homeowners with the public interest in maintaining accurate, up-to-date information about condominium developments.

For these reasons, I respectfully urge the committees and the full Legislature to hold HB276 HD1 or to substantially amend it to maintain meaningful oversight of all condominium property regimes, including small projects. Our land use and housing policies must be crafted with careful attention to both individual hardship and the broader impacts on neighborhoods, consumers, and the State's ability to regulate fairly and consistently.

Mahalo for the opportunity to submit testimony in opposition and for your continued work on housing and land use issues affecting our community.

Sincerely,

Ryan K. Gomes

**HB-276-HD-1**

Submitted on: 3/21/2026 4:05:09 PM

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

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Mike Golojuch, Sr.	Individual	Support	Written Testimony Only

Comments:

I support HB276.

**HB-276-HD-1**

Submitted on: 3/22/2026 8:56:13 AM

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

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Richard J. Cohen	Individual	Support	Written Testimony Only

Comments:

Good Morning, and thank you for scheduling a CPN hearing for this measure. Your action allows HB276 HD1 to continue its progress through the 2026 legislative session now that it has been unanimously passed, unamended, by both the house CPC and FIN committees and crossed over to the senate for further consideration. I am a homeowner who meets the requirements of this bill and I once again submit testimony in hopes that the 2026 session will act to rectify the currently unfortunate and ongoing, yet easily correctible situation with the passing of HB276 HD1. Despite the fact that I have lived in my home, my only home, for over 25 years now with absolutely no intention of either moving or selling, under current law I am still considered to be a "developer" and therefore am required to file an annual developer's report and pay an associated filing fee as well. The 2026 passing of HB276 HD1 will finally put a justifiable and overdue end to this mandate and simply allow me and so many others who meet the bill's requirements just to live in our homes free from these unnecessary and unfair clerical and financial burdens. Please put an end to this continuing, unfortunate, and basically unfair situation with the 2026 adoption of HB276 HD1. Thank you all so much.

Richard J Cohen.....Hawai'i Island