

Testimony of the Hawai'i Real Estate Commission

**Before the
House Committee on Finance
Friday, February 27, 2026
2:00 p.m.**

Conference Room 308 & Via Videoconference

**On the following measure:
H.B. 276, H.D. 1, RELATING TO CONDOMINIUMS**

Chair Todd 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.

Feb. 27, 2026, 2 p.m.
Hawaii State Capitol
Conference Room 308 and Videoconference

To: House Committee on Finance
Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, 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

HB-276-HD-1

Submitted on: 2/25/2026 6:10:12 AM

Testimony for FIN on 2/27/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Richard J. Cohen	Individual	Support	Written Testimony Only

Comments:

Good afternoon....Thank you for scheduling a FIN committee hearing and allowing HB 276 HD1 to continue its progress through the 2026 legislative session. 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 unfortunate and ongoing, yet easily correctable current 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 HB 276 HD1 will finally put an 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 simply unfair situation with the 2026 adoption of HB 276 HD1. Thank you so much.

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