

HAWAII LEGISLATIVE
ACTION COMMITTEE


community
ASSOCIATIONS INSTITUTE

P.O. Box 976
Honolulu, Hawaii 96808

February 6, 2026

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

Re: **SB 2294 OPPOSE**

Dear Chair Keohokalole, Vice Chair Fukunaga and Committee Members:

CAI opposes SB 2294. It is superfluous and it injects doubt about the rule of law. SB 2294 has other deficiencies as well.

"The government of the United States has been emphatically termed a government of laws, and not of men." Marbury v. Madison, 5 U.S. 137, 2 L. Ed. 60, 1 Cranch 137 (1803).

One of the better formulations of the thought comes from President Theodore Roosevelt's 1903 Annual Message to Congress (the written precursor of the modern State of the Union Address): "No man is above the law and no man is below it; nor do we ask any man's permission when we require him to obey it. Obedience to the law is demanded as a right; not asked as a favor."

Matter of Karedes v. Colella, 187 Misc.2d 656, 722 N.Y.S.2d 714 (N.Y. Sup. Ct. 2001) (Emphasis added) The requirement to obey the law follows from the existence of the law.

There is no present doubt that associations and managing agents are required to obey the law. Thus, adding that an association's authority is subject to "all county ordinances and state and federal laws, rules and regulations," injects doubt about the rule of law. The legislature should be concerned if it determines that it must not only pass laws but, *simply as a matter of information*, specify that they must be obeyed.

This bill is one of a kind with other bills that proceed from the premise that association board members and managing agents are generally bad. That premise is faulty.

Honorable Jarret Keohokalole
Honorable Carol Fukunaga
February 6, 2026
Page 2 of 3

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. This objective fact demonstrates the absence of need for the pointless expression of self-evident truth reflected in SB 2294.

It is worth keeping in mind that cluttering the condominium statute with surplusage may hurt and not help. Also, the harm of legislative micromanagement¹ was an express reason for the adoption of Chapter 514B.

Condominium directors are fiduciaries. "In the performance of their duties, officers and members of the board shall owe the association a fiduciary duty and exercise the degree of care and loyalty required of an officer or director of a corporation organized under chapter 414D." HRS §514B-106(a).

Managing agents are fiduciaries. "(c) Every managing agent shall be considered a fiduciary with respect to any property managed by that managing agent." HRS §514B-132(c).

Moreover, "Any person who embezzles or knowingly misapplies association funds received by a managing agent or association shall be guilty of a class C felony." HRS §514B-149(f).

¹ Per the FINAL REPORT TO THE LEGISLATURE RECODIFICATION OF CHAPTER 514A, HAWAII REVISED STATUTES (CONDOMINIUM PROPERTY REGIMES) IN RESPONSE TO ACT 213, SECTION 4 (SLH 2000) DECEMBER 31, 2003, at 1:

The 2000 Legislature recognized that "[Hawaii's] condominium property regimes law is unorganized, inconsistent, and obsolete in some areas, and micromanages condominium associations . . . [t]he law is also overly regulatory, hinders development, and ignores technological changes and the present day development process."³ Consequently, the Legislature directed the Real Estate Commission of the State of Hawaii (Commission) to conduct a review of Hawaii's condominium property regimes law, and to submit draft legislation to the 2003 Legislature that will "update, clarify, organize, deregulate, and provide for consistency and ease of use of the condominium property regimes law." (Emphasis added)

Honorable Jarret Keohokalole
Honorable Carol Fukunaga
February 6, 2026
Page 3 of 3

It is already sufficiently clear that directors and managing agents must follow the law. Consequences exist for the failure to do so.

SB 2294 also includes the curious mandate to comply with "mortgage lending requirements". First, what does that mean? Second, what part of an association's mission involves complying with mortgage lending requirements?

Owners and purchasers buy and sell condominium units, which are separate parcels of real estate. Per HRS §514B-4:

§514B-4 Separate titles and taxation. (a) Each unit that has been created, together with its appurtenant interest in the common elements, constitutes, for all purposes, a separate parcel of real estate. (Emphasis added)

An association is not involved in the private purchase and sale transactions of owners and purchasers. Associations are not lenders.

It is true that: "The association shall keep financial and other records sufficiently detailed to enable the association to comply with requests for information and disclosures related to resale of units." HRS §514B-152 (excerpt). It is also true that such "documents, records, and information, . . . shall be made available to any unit owner and the owner's authorized agents by the managing agent, resident manager, board through a board member, or the association's representative[,]" HRS §514B-154.5(a).

This means that the law already requires production of the documents at issue. In short, there is no need for or point to SB 2294. It would simply create ambiguity and uncertainty about what might be required in any given situation.

Please, therefore, defer SB 2294.

CAI Legislative Action Committee, by



Its Chair

SB-2294

Submitted on: 2/6/2026 9:33:21 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

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

Comments:

Our board strongly supports SB2294. Some would think that it makes sense that you follow all required federal, state, and local governance, besides the community's declarations and bylaws. Sadly, there are board members who think that they don't. They think that just because the condominiums are self-governing, they don't have to follow all laws and ordinances.

This bill will help in the education and compliance of all condominium board members. It is part of their fiduciary responsibilities.

If condominiums were totally self-governing, some could think that they don't have to follow requirements like no aerial fireworks. This bill will clarify this misconception.

Please pass this bill.

Mike Golojuch, Sr, President, Palehua Townhouse Association

SB-2294

Submitted on: 2/7/2026 2:08:28 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

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

Comments:

Associations and their Boards already are required to comply with their governing documents and laws.

Mortgage lending requirements vary between Lenders and could have far reaching unknown unintended consequences and likely put pressure on maintenance fees.

OPPOSE as unnecessary. Lenders are not members of the association.

SB-2294

Submitted on: 2/9/2026 7:56:45 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Mark McKellar	Testifying for Law Offices of Mark K. McKellar, LLC	Oppose	Written Testimony Only

Comments:

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

I oppose S.B. No. 2294 for the reasons stated in the testimony of M. Anne Anderson.

Sincerely,

Mark McKellar

SB-2294

Submitted on: 2/10/2026 3:12:37 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Rachel Glanstein	Testifying for AOA Lakeview Sands	Oppose	Written Testimony Only

Comments:

Aloha,

This bill seems unnecessary and I oppose S.B. No. 2294 for the reasons stated in the testimony of M. Anne Anderson.

Mahalo,

Rachel Glanstein

Committee on Commerce and Consumer Protection

Hearing: Friday, February 13, 2026 9:30am

RE: SB2294 Relating to Common Interest Communities

Specifies that all condominium associations, boards, and managing agents are required to comply with the declaration, bylaws, and all county ordinances and state and federal laws, rules, and regulations, including mortgage lending requirements

Chair Senator Keohokalole, Vice Chair Senator Fukunaga

Senator Rachele Lamosao, Senator Angus McKelvey and Senator Brenton Awa

I strongly SUPPORT this bill

My name is Raelene Tenno and I have been a condo owner since 1990. Over the years via ownership, have served on 3 different condo boards.

I have been involved with the Hawaii Council of Community Associations since around 1992 and currently serve as its Education Chair. I am also a licensed Mortgage Loan Originator (MLO) and have been the Hawaii instructor for the Mortgage Pre-Licensing and yearly Continuing Education requirements for licensure. The course includes Fair Housing regulations.

This testimony represents my personal views.

Hawaii was the first state to create a condominium statute in 1961. Years prior these buildings were built as Co-ops and then converted to Condominium after 1961.

Information in the testimony is from the DCCA website:

- * [Condominium Property Regimes: Owner Rights and Responsibilities – 2009](#) (PDF)
(NOTE: the contents are subject to additional changes without prior notice)
- * [Condominium Property Regimes: Board Members Powers and Duties – 2009](#) (PDF)
(NOTE: the contents are subject to additional changes without prior notice)

On page 3 – 5:

A condominium association is a "mini-government" in which unit owners elect the association's board of directors, which in turn is given broad authority to govern and manage the affairs of the association, limited only by federal and state laws, county ordinances, and condominium governing documents. Depending on the condominium association's governing documents, **the board of directors may have power over more aspects of the association members' lives than any other level of government.** In general, the "self-governance principles" under which a condominium association operates require board members and owners to understand that: (1) the owners' most important role is electing directors; (2) once elected, the board has most of the power over the day-to-day operations of the association; (3) the board also has most of the responsibility for the day-to-day operations of the association; **(4) the board's power is not unlimited but is subject to the law and**

the declaration and bylaws; (5) the board must act as a group, not as individuals; (6) differences of opinion among board members are not necessarily violations of the law; (7) the managing agent is only an agent and is subject to the direction and control of the board; and **(8) owners, rather than the State, must observe and evaluate the board and the operation of their project.**

Being elected to an association board does NOT mean board members can do anything they want.

Board members can only do what the law and the association's condominium governing documents (declaration, bylaws, and articles of incorporation) authorize them to do. Board members should be cautious about exercising "implied" or "inherent" powers which are not clearly stated in the law or condominium documents.

End quote.

In my individual capacity as a Condominium owner...

Our ByLaws has a recorded amendment dated 5/2/1991 (#1817279) #15 Sale and Leasing.

It states: "...no such owner may rent or lease such Unit Ownership without first submitting to the Resident Manager for approval by the Governors (Board) comprising the Rental Screening committee established hereby a Tenant Reference and Registration form for each prospective tenant prior to the signing of a rental agreement."

Simply put, the Governors (the Board) must pre-screen (interview and criminal background check) and approve any prospective tenant prior to the signing of any rental agreement.

OK

By my policy and procedure, my unit is considered a "no pet" unit. I am not a pet hater; I just prefer not to deal with the issues and potential House Rule violations. I have had dogs and cats my entire life.

A recent tenant applicant, has 2 emotional support animals with the proper documentation from a healthcare provider. The provider company was located in California. I noticed the doctor's name and Hawaii license number and did indeed verify it with the DCCA PVL search.

I submitted the required documents to the board for approval. The prospective tenant was interviewed and DENIED with no reasons for the denial. I was never informed of the decision by the board or the interviewing committee.

Knowing what I know... this clearly violates ADA, and I as the unit owner, potentially face a discrimination lawsuit by the Hawaii Civil Rights Commission and or the Legal aid Society. Both of which, I do not want to tangle with plus any legal costs related to a lawsuit.

I moved the tenant into the unit. Via gossip, I was told the Board would be issuing a large House Rule violation against me.

The current statutes, HRS 514B, 421J and 421i, do not explicitly state or include, board must follow any governmental ordinances, statutes or regulations. It is merely implied.

Pertaining to the “Mortgage Lending Requirement”.

Fannie Mae and Freddie Mac (GSE) have condominium requirements related to the financial health including reserves of the condominium. Both GSE’s review these documents when a loan application is being underwritten.

Federal Home Administration (FHA) and the Veterans Administration (VA) both require the condominium to be approved in order for a borrower to secure a loan.

This requires submitting documents to FHA(3yrs) or VA (indefinite) for review and approval.

The principal factor for this process is to ensure a vital safeguard that ensures a FHA homeowner or our veterans purchase homes within financially stable, well-managed communities.

By mastering each phase—from verification to final approval—applicants and associations alike strengthen their credibility and help our residents and veterans achieve their goal of secure homeownership.

Any costs related to the approval process is at the expense of the lender and not the Association.

This is where as a Mortgage industry there have been walls created by the Managing Agent and or the Homeowner Associations unwillingness to provide the necessary documents such as:

- Governing Documents to include House Rules
- Financials to include Reserve Study
- Meeting Minutes

An example of a barrier:

In the office I was asked to help get documents for a senior to complete a reverse mortgage. I contacted the Senior Vice President of the Management Company.

Her reply to me “I know what the laws says, we just don’t do it”.

The tone in the words was very disturbing.

We ultimately had to go thru other means at a cost to the owner to obtain the necessary documents that would benefit many other borrowers and Lenders since the FHA approval is good for 3 years.

I’ve often had to educate Board Members and Managing Agents on the lending for FHA and VA.

One statement that stands out from a condo board is “We don’t want FHA in here as it will bring in low income and section 8 into the property”.

I respectfully encourage the committee to pass this bill forward.

Thank you for allowing this lengthy testimony with examples to support

Raelene Tenno

Condominium Owner since 1990

SB-2294

Submitted on: 2/6/2026 4:18:18 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
christine morrison	Individual	Support	In Person

Comments:

RE: Testimony – Legislation for HOA Board Accountability

On January 8, 2026, detailed documentation supporting the need for HOA Board accountability legislation was submitted to Senator Hashimoto. The submission consisted of six pages of hyperlinked, evidence-based materials.

The documentation outlines multiple HOA Board actions demonstrating a lack of transparency and accountability, including financial mismanagement, possible failure to act in the best interests of unit owners, and the prolonged refusal to address required unit owner maintenance. These issues persisted over several years despite the existence of a settled construction defect lawsuit totaling approximately \$15 million. The materials illustrate how current statutory protections are insufficient to prevent or remedy such governance failures, underscoring the need for legislative reform.

SB-2294

Submitted on: 2/6/2026 12:44:59 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Susan Trombley	Individual	Support	Remotely Via Zoom

Comments:

Aloha Chair and members;

I am Susan Trombley. I have owned a condominium in Kapolei since 2018, and a townhouse in Ewa Beach since 2008. Both of my properties fall under a planned community association as well as my property community association. In my capacity as a board President in a planned community association, and as a Vice President in my condominium association, associations governed by 514B and 421J and 421i, I have encountered discrepancies and at times less rights as a homeowner. Homeowners should feel secure believing that we are protected. Homeowners should have access to information.

I support HR 1587 and SB 2294 requiring that all condominium associations, boards, and managing agents are required to comply with the declaration, bylaws, and all county ordinances and state and federal laws, rules, and regulations, including mortgage lending requirements.

Mahalo.

SB-2294

Submitted on: 2/8/2026 3:31:26 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

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

Comments:

TESTIMONY IN SUPPORT OF SB2294

Senate Committee on Commerce and Consumer Protection (CPN)

To: Chair Senator Jarrett Keohokalole

Vice Chair: Senator Carol Fukunaga

Committee on Commerce and Consumer Protection

My name is **Lourdes Scheibert**, and I respectfully submit testimony **in strong support of SB2294**.

SB2294 clarifies that condominium associations, boards of directors, and managing agents must comply not only with their governing documents, but also with **county, state, and federal laws — including mortgage lending requirements**. This clarification is **long overdue**.

Consumer Protection Was Always the Intent

My condominium was created under a **1968 Declaration**, which explicitly required:

“Observance of laws: Keep all common elements in a strictly clean and sanitary condition, and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any government authority applicable to the common elements or their use.”

This was an affirmative consumer-protection duty.

Had this principle been clearly carried forward into **HRS 514A and later 514B**, much of the deferred maintenance and financial shock experienced by owners today could have been curtailed.

SB2294 restores that original intent: **self-governance does not mean exemption from the law**.

Mortgage Lending Is a Consumer Protection Issue

Condominiums are the primary entry point to homeownership in Hawai‘i. When boards defer maintenance, underfund reserves, or conceal building risks, they directly jeopardize compliance

with **mortgage lending requirements relied upon by FHA, Fannie Mae, Freddie Mac, and VA lenders.**

When buildings become unfinanceable:

- Buyers lose access to mortgages
- Owners cannot refinance or sell
- Property values decline
- Families and seniors are trapped

This is not theoretical. It is happening across the state, as documented in *The “Brutal Reality” of Owning a Condo in Hawaii*.

SB2294 recognizes that **housing finance and consumer protection are inseparable.**

Why CPN Action Is Needed

Owners are often told that no enforcement authority exists, and that their only options are litigation or displacement. That is not meaningful consumer protection.

SB2294 does not create new bureaucracy or new causes of action. It simply clarifies that associations, boards, and managing agents must **operate within existing legal and mortgage-lending frameworks.**

This bill strengthens transparency, accountability, and market stability — all core CPN concerns.

Conclusion

The observance-of-law principle existed in condominium governance as early as **1968**. Its erosion has harmed consumers and destabilized housing.

SB2294 is not radical. It is corrective.

It restores accountability, protects homeowners, and reinforces confidence in Hawai‘i’s condominium housing market.

For these reasons, I respectfully urge the Committee to **pass SB2294.**

Mahalo for the opportunity to submit testimony.

SB-2294

Submitted on: 2/9/2026 4:54:45 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Joe M Taylor	Individual	Oppose	Remotely Via Zoom

Comments:

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

I oppose S.B. No. 2294 for the reasons stated in the testimony of M. Anne Anderson

SB-2294

Submitted on: 2/5/2026 2:29:48 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Julie Sparks	Individual	Oppose	Written Testimony Only

Comments:

I am in opposition to this measure. The main issue is requiring the association to comply with mortgage lending requirements which vary by lender and may change resulting in an undue burden on an association.

SB-2294

Submitted on: 2/7/2026 8:28:04 AM

Testimony for CPN on 2/13/2026 9:30:00 AM

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

Comments:

The trade industry should be held to at least the same standard as individual condo owners. Unfortunately, since condominiums are basically "self-enforcement" and trade industry compliance with the law is basically voluntary, the trade industry oftentimes hold themselves to a much lower standard than those they govern. This Bill will help create a uniform standard of conduct.

SB-2294

Submitted on: 2/7/2026 11:02:36 AM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Lila Mower	Individual	Support	Written Testimony Only

Comments:

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February 9, 2026

RE: S.B. No. 2294 - Testimony In Opposition.

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

I STRONGLY OPPOSE S.B. No. 2294 for the reasons set forth below.

1. Comments Regarding SECTION 1.

The bill begins with a statement that the Legislature “finds that condominium associations, led by boards of directors and overseen by managing agents, primarily operate under principles of self-governance and self-enforcement.” This finding is stated without any supporting facts or data.

Black’s Law Dictionary (12th ed., 2024) defines “self governing” as:

self-governing adj. (1845) (Of a country, *organization*, or person) *controlled from within and not by some outside power or influence; autonomous.* (Emphasis added).

In other words, an entity that operates under principles of “**self-governance**” is an entity that is free to operate without intervention from an outside power or influence. This hardly applies to condominium associations in Hawai‘i.

Condominiums associations are highly regulated entities. They are governed by HRS Chapter 514B which contains more than 190 sections and is amended almost yearly to dictate how they operate. Incorporated condominium associations are governed by HRS Chapter 414D as well as HRS Chapter 514B. Additionally, condominium associations are governed by declarations and bylaws drafted by developers and amended by owners, which are often lengthy and complex and contain numerous provisions regarding the powers and duties of the association and its board. Condominium associations are also governed by House Rules. Their meetings (both owner and board meetings) are governed by the most recent edition of Robert’s Rules of Order Newly Revised as well as HRS Chapter 514B and HRS Chapter 414D (if incorporated). Their actions and decision making are also governed by various sections of HRS Chapters 515 (relating to discrimination in real property transactions), 667 (relating to foreclosures), and 196 (relating to solar energy devices and electric vehicle charging stations), the Hawaii Administrative Rules, employment laws, tax laws, etc. While condominium boards do have decision making authority, such decisions must be made in accordance with the myriad of laws that regulate the industry. There is simply no factual basis for a finding that condominium associations in Hawai‘i are operating under principles of self-governance and self-enforcement.

It goes without saying that condominium associations, boards, and managing agents must comply with county, state, and federal laws and regulations that apply to them. They must also comply with mortgage lending laws -- where applicable. However, the bill does not identify any instances of

condominium associations, boards, or managing agents failing to do. For that reason alone, the measure should be deferred as completely unnecessary.

2. Comments Regarding SECTION 2.

If a county ordinance, or state or federal law, rule, or regulation, is controlling in a particular instance, then it is not necessary to state the obvious in HRS Section 514B-104.

Stating that the provisions of HRS Section 514B-104 are subject to “all county ordinances and state and federal laws, rules, and regulations, including mortgage lending requirements” is not necessary and can raise numerous problems because the reference is extremely broad. It appears to impose upon condominium associations and their boards a duty to read and understand every single county ordinance, state and federal law, rule, and regulation, including mortgage lending requirement that exists to determine whether it applies.

In the aggregate, **all** county ordinances, state and federal laws, rules, and regulations and mortgage lending requirements probably span thousands, if not hundreds of thousands or even millions of pages. How would a condominium association, board, or managing agent possibly navigate in this situation? It is not likely that any board, even a board of a sophisticated billion dollar corporation, is aware of, and familiar with, ever single county ordinance, state and federal law, rule, regulation, and mortgage lending requirement to be able to determine whether it has any application to the entity. ***SECTION 2 imposes an impossible task upon condominium associations and their volunteer, unpaid board members.*** It will create a mine field for liabilities and lawsuits.

The language in the current statute that states that the provisions of HRS Section 514B-104 are “subject to the provisions of the declaration and bylaws” makes it clear that the provisions of the declaration and bylaws may be controlling over the provisions in Section 514B-104 especially if the declaration and bylaws provide more details or procedures. However, the addition of the words “subject to ... all county ordinances and state and federal laws, rules, and regulations, including mortgage lending requirements” makes it unclear how those provisions are to be read in conjunction with the declaration and bylaws. It is unclear how conflicts between the declaration or bylaws and county ordinances and state and federal laws, rules, and regulations, including mortgage lending requirements are to be reconciled.

Another problem with S.B. No. 2294 is that it will create significant confusion as it could mean that in the event any provision of HRS Section 514B-104 conflicts with any county ordinance, state or federal law, rule, or regulation, including any mortgage lending requirement, the latter would control even though the legislature intended that HRS Section 514B-105 or the declaration or bylaws control. An example of the confusion can be seen by examining the first six words of Section 514B-104 which read: “Except as provided in section 514B-105 . . .” These words mean that an association has various powers, except as provided in HRS Section 514B-105. In other words, the legislature intended HRS Section 514B-105 to be controlling. However, the bill leaves open the question of how conflicts between HRS Section 514B-105 and county ordinances, state or federal laws, rules, or regulations, including mortgage lending requirements are to be reconciled.

If there are specific concerns about compliance with specific county ordinances, state or federal laws, rules or regulations or mortgage lending requirements, the best and most meaningful way to address those concerns is to identify those specific ordinances, laws, rules, regulations, or mortgage lending requirements and specify what an association or board must do to comply with the same.

The bill is also ambiguous with regard to the phrase “mortgage lending requirements.” The bill does not identify the particular mortgage lending requirements it is concerned with. Presumably these are mortgage lending requirements that are contained in a county ordinance, state or federal law, rule, or regulation, as opposed to mortgage lending requirements adopted by private lenders which may or may not be binding on associations. However, this is not stated in the bill. It is also not clear when, why, or how mortgage lending requirements would apply to the various provisions of HRS Section 514B-104. If the Legislature believes that condominium associations are failing to abide by a specific “mortgage lending requirement,” then, again, the best and most meaningful approach is to address those specific mortgage lending requirements so that condominium associations and boards are able to understand and comply with the law.

3. Comments Regarding SECTION 3.

The comments in response to SECTION 2 apply as well to SECTION 3.

4. Comments Regarding SECTION 4.

The comments in response to SECTION 2 also apply to SECTION 4.

If the Legislature believes that managing agents are failing to comply with particular provisions of the county ordinances and state and federal laws, rules, and regulations, including mortgage lending requirements, the bill should identify where the problems lie and address the specific problems rather than imposing upon managing agents a duty of reading every county ordinance and state and federal law, rule, regulation, and mortgage lending requirement to determine whether it applies.

Finally, the references to HRS Chapters 421J and 421I in SECTION 4 will create significant confusion. Planned community associations and cooperative housing corporations are regulated under HRS Chapter 421J and 421I, respectively, not HRS Chapter 514B. HRS Chapter 514B, *i.e.*, the *Condominium Property Act*, does not apply to planned community associations or cooperative housing corporations. *If laws are to be adopted, they should be adopted under the applicable statutory chapters.*

For the foregoing reasons, I STRONGLY OPPOSE S.B. No. 2294 and urge your Committee to defer this measure in its entirety.

Respectfully submitted,



M. Anne Anderson

SB-2294

Submitted on: 2/9/2026 5:05:02 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

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

Comments:

I am an owner occupant of a Honolulu condominium. Please accept this as testimony in opposition to SB2294. Condominium associations are not self governing. They are governed by HRS Chapter 514B with almost 200 sections. They are governed by their bylaws and declarations written by developers and amended by the owners. They are also governed by the House Rules. And the list goes on.

All board members of condos are volunteers. This bill would require they hire experts to advise them.

This bill appears to impose hardships on the volunteer boards who must navigate how conflicts between the declaration or bylaws or county ordinances and state and federal law, rules and regulations, including mortgage lending requirements and how to resolve them.

Please defer this bill.

Lynne Matusow

SB-2294

Submitted on: 2/9/2026 5:16:39 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Peter Togawa	Individual	Oppose	Written Testimony Only

Comments:

TESTIMONY IN OPPOSITION TO SB 2294

Relating to Common Interest Communities; Self-Governance; Compliance

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

I respectfully submit testimony in opposition to SB 2294.

While the intent of the bill to clarify compliance obligations for condominium associations is understandable, the proposed language does not distinguish between associations that refuse to comply with document requests and those that already act in good faith but are subject to excessive, duplicative, or abusive demands.

Well-run associations routinely comply with governing documents, applicable laws, and lender requirements. However, in practice, some individuals weaponize compliance statutes by submitting high-volume, time-sensitive document requests that strain managing agents and onsite staff, divert resources from operations, and increase the likelihood of inadvertent errors due to rushed production. SB 2294 strengthens this dynamic without providing any reasonable safeguards for good-faith compliance.

The result is not improved transparency, but increased cost, operational burden, and legal exposure borne by all owners through higher expenses and reduced service capacity. The bill effectively penalizes associations that already strive to comply, while offering no relief from process abuse.

I would support statutory clarification that balances owner access with reasonable production standards and protections for good-faith boards and managing agents. As written, SB 2294 risks creating unintended consequences that undermine effective governance rather than improving it.

For these reasons, I respectfully oppose SB 2294.

Mahalo for the opportunity to provide testimony.

SB-2294

Submitted on: 2/9/2026 5:44:44 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
John Toalson	Individual	Oppose	Written Testimony Only

Comments:

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

I oppose S.B. No. 2294 for the reasons stated in the testimony of M. Anne Anderson.

John Toalson

SB-2294

Submitted on: 2/9/2026 9:50:55 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Marylyn Kaahanui	Individual	Support	Written Testimony Only

Comments:

I am in support of qualified buyers to become homeowners and not be blocked by noncompliant condominium practices. Self governance does not mean self exempt.

SB-2294

Submitted on: 2/9/2026 10:30:48 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

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

Comments:

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

I oppose S.B. No. 2294 for the reasons stated in the testimony of M. Anne Anderson.

Sincerely

Julie Wassel

SB-2294

Submitted on: 2/10/2026 6:23:51 AM

Testimony for CPN on 2/13/2026 9:30:00 AM

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

Comments:

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

I oppose S.B. No. 2294 for the reasons stated in the testimony of M. Anne Anderson.

Lance Fujisaki

SB-2294

Submitted on: 2/10/2026 7:52:18 AM

Testimony for CPN on 2/13/2026 9:30:00 AM

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

Comments:

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

I oppose S.B. No. 2294 for the reasons stated in the testimony of M. Anne Anderson.

SB-2294

Submitted on: 2/10/2026 1:40:43 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

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

Comments:

Or else, what? A provision for enforcement is in order.

SB-2294

Submitted on: 2/10/2026 2:56:38 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

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

Comments:

I oppose this bill. HOA boards are NOT self governing. Federal, State, City and County laws form the rules and regulations that we must follow. This bill is not clear on its intent. Members of these boards are volunteers. It would be a bit onerous to expect all the research necessary for any actions brought against the board. To the best of my knowledge no Association has been found guilty of violations of the statutes, laws, regulations, etc. There doesn't seem to be a valid reason at this time for this bill.

Mary Freeman

Ewa Beach

SB-2294

Submitted on: 2/10/2026 10:44:49 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Primrose	Individual	Oppose	Written Testimony Only

Comments:

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

I oppose S.B. No. 2294 for the reasons stated in the testimony of M. Anne Anderson.

LATE

SB-2294

Submitted on: 2/12/2026 1:12:49 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Paul A Ireland Koftinow	Individual	Oppose	Written Testimony Only

Comments:

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

I **oppose** S.B. 2294. I

I join in the testimony of the CAI Legislative Action Committee and the testimony of M. Anne Anderson.

Sincerely,

Paul A. Ireland Koftinow

LATE

TESTIMONY IN SUPPORT OF SB2294

Committee on Commerce and Consumer Protection (CPN)

DATE: Friday, February 13, 2026
TIME: 9:30 AM
PLACE: Conference Room 229
& VIDEOCONFERENCE
State Capitol
415 South Beretania Street

From: Gregory Misakian (as an individual)

Submitted: 2/12/26

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

While I support SB2294, which makes Officers and Directors on condominium Boards more accountable, much more needs to be done.

To address the real needs of condominium owners in Hawaii, without either side having to waste money on attorneys, please read on.

My Background

I currently serve as:

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

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 have previously provided numerous testimony to the Legislature, along with others, that mediations in Hawaii for condominium disputes are not working. Mediations cost money, take time, and the majority of mediations from data reported by the DCCA have been unsuccessful. Many homeowners are also reluctant to engage in mediation knowing this, and also knowing that they may be retaliated against. And I also have first hand experience in Hawaii with a condominium related mediation, so I fully understand the process, the expense, and the wasted time with unsuccessful results.

The path forward, and the only path forward to properly address the problem facing Hawaii, is to enact an **Ombudsman's Office for Condominium Owners and Associations**.

**BACKGROUND INFO
AND
REQUEST I RECENTLY SENT TO EVERY STATE LEGISLATOR**

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.

It is time for Hawaii to establish an Ombudsman's Office for Condominium Owners and Associations.

**RESULTS OF MY REACH OUT, WHICH WAS DONE IN JUST ONE WEEK
(From opening day of the 2026 session, Wed. 1/21, to Wed. 1/28.)**

Two Bills: HB2453 and SB3309

My draft preamble and proposed language was simple, and without impacting major changes to current statutes or requiring any State funding. Funding is via a small increase in the Condominium Education Trust Fund fee that all registered condominium associations pay into.

**MY CONCERNS AND REQUESTS TO THE CPR TASK FORCE
AND THE CPC COMMITTEE**

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.

On agenda at the 1/30/26 CPR Task Force meeting, which I attended, were three draft meeting minutes from 2023 pending approval, and only placed online as a link to the drafts a short time prior to the meeting. This is unacceptable and does not give me or the public a good feeling regarding responsibilities of the Chair and others on the Task Force, and raises concerns regarding transparency. Not surprising, these three meeting minutes from over 2 years ago were still not approved at the 1/30/26 meeting. I am also unable to find a link to testimony I and others submitted to the Task Force.

To the Chair of the CPR Task Force, who did not convene a meeting of the Task Force prior to the start of the 2026 legislative session, and prior to the deadline to introduce legislation, the clear and obvious question is why not? This Task Force had an opportunity to meet and provide inputs prior to the 2026 session. You had the findings of the Legislative Reference Bureau's 5 State report since November of last year.

As we sadly watch the unrest in the State of Minnesota, where two sides disagree and there is conflict, it should be noted that **the State of Minnesota enacted legislation last year to create an Ombudsman's Office for condominium disputes.**

The Common Interest Community Ombudsperson is established under Minnesota Statutes, section 45.0137. This law creates the position within the Minnesota Department of Commerce to:

- 1. Assist unit owners, tenants, and associations in understanding their rights and responsibilities under Minnesota Statutes, Chapter 515B (the Minnesota Common Interest Ownership Act) and their governing documents.*
- 2. Facilitate informal resolution of disputes between unit owners and associations.*

I am requesting that the CPR Task Force, the CPN Committee, and our legislators please act, and with urgency, on the issues and concerns that need attention and the clear and correct legislation that is needed now.

The State of Hawaii urgently needs an Ombudsman's Office for condominium owners and associations, and numerous States with many condominiums and many complaints have recognized this and have Ombudsman's Offices.

Respectfully,

Gregory Misakian

LATE

SB-2294

Submitted on: 2/13/2026 5:55:55 AM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Chandra Kanemaru	Individual	Oppose	Written Testimony Only

Comments:

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

I **STRONGLY OPPOSE** SB 2294 for the DETAILED reasons stated in the testimony of M. Anne Anderson and urge your Committee to defer this measure in its entirety.

Respectfully submitted,

Chandra R.N. Kanemaru

Country Club Village, Phase 2 Board Secretary