

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 2298 COMMENTS**

Dear Chair Keohokalole, Vice Chair Fukunaga and Committee Members:

SB 2298 omits findings, so the basis for this proposal is unclear. If the intention is to provide factual information to owners, then SB 2298 will not serve that purpose. SB 2298 contains commentary which is inaccurate and coercive.

Assuming that explanatory comments are appropriate in statute, which is highly questionable here, the proposed commentary regarding quorum is not edifying.

"[] For quorum purposes only. In order for the Association to legally conduct the Annual Meeting, it requires a Quorum percentage of Ownership. If this box is selected, this proxy counts towards the quorum number requirement. Quorum Purposes Only has no voting actions.

The first sentence does not explain quorum in any meaningful fashion. The content of the second sentence is self-evident.

The third sentence is ambiguous. "Quorum Purposes Only has no voting actions." What?

And then:

[] To the individual whose name is printed on a line next to this box: _____.

If you are unable to attend the Annual Meeting or think you may not be able to attend the Annual Meeting, you can select this box and name an individual to represent you as a proxy. If, on the day of the Annual Meeting, you do attend and check in at the Annual Meeting, this proxy shall become void and you will be directly participating in the voting ballot process.

Honorable Jarret Keohokalole
Honorable Carol Fukunaga
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The proposed content is factually inaccurate. Owners can provide a proxy and still attend an association meeting. Also, HRS §514B-123 applies to special association meetings as well, so the reference to "Annual Meeting" is inappropriate.

Next:

[] To the Board as a whole. This selection means the proxy is presented to the entire Board, not just to individual Directors. The Board is voting together as one. If you are happy with the composition of the total Board (Board as a whole), selecting this box will put your vote toward re-electing the current members of the Board.

The content of the first sentence is self-evident.

"The Board is voting together as one" means what?

The truly insidious language is in the last sentence:

If you are happy with the composition of the total Board (Board as a whole), selecting this box will put your vote toward re-electing the current members of the Board.

Leaving aside the redundancy, it is factually inaccurate that selecting the board as a whole option means "re-electing the current members of the Board."

There may only be one position up for election, and the board majority might vote to bring on someone new. Reasons to do that might, for example, include that directors retire, sell and/or cease to become productive. A palpably false assertion should not be included in statute.

Finally:

[] To those Directors present at the Meeting with the vote to be shared with each Director receiving an equal percentage. This selection means the vote is to be made on the basis of the preference of the Directors present at the Meeting. Only Directors who are physically present at the meeting count toward the vote. For example, if you have a 7 member Board, but only 5 attend, the majority is 3 votes (out of 5 present), not 4 (out of 7 total). Your ownership is then divided amongst the Board Members present at the meeting. These Board Members will then submit their voting ballot based upon their vote and not anyone else's vote."

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The content of the first sentence is self-evident. The second sentence is redundant. The jumble that follows thereafter can charitably be described as unhelpful.

Among other things, the reference to "majority" is not germane. This proxy option obviously enables those directors "present" to receive "an equal percentage."

"These Board Members will then submit their voting ballot based upon their vote and not anyone else's vote." Leaving aside capitalization, this language is not a model of clarity. It adds nothing.

Surplusage in statute is generally unhelpful and potentially problematic in all events. CAI is concerned that SB 2298 would not serve a useful purpose as written and perceives no need for such explanatory efforts to be contained in statute.

CAI Legislative Action Committee, by


Its Chair

SB-2298

Submitted on: 2/7/2026 2:17:05 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:

First, this Bill is totally incorrect in its proposed language that invalidates a proxy if the owner attends the meeting. Often owners attend the owner meeting and leaves their proxy with the appointed person. It is simply the owner's right to select their voting representative at the meeting and whether they wish to withdrawl the proxy.

Currently correct information as to the meaning of the options on the proxy is distributed with the proxy notice as an attachment.

The Bill language is legally and technically incorrect. Oppose.

SB-2298

Submitted on: 2/9/2026 7:55:16 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, LLLC	Oppose	Written Testimony Only

Comments:

I oppose S.B. No. 2298 for the reasons stated in the testimony of M. Anne Anderson.

Sincerely,

Mark McKellar

SB-2298

Submitted on: 2/10/2026 10:43:04 PM

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

Submitted By	Organization	Testifier Position	Testify
Steve Glanstein	Testifying for Hawaii State Association of Parliamentarians	Oppose	Written Testimony Only

Comments:

This is a terrible bill. There's no stated rationale for changing the proxy statute. The proxy statute has worked well for years and provided owners with options that will become unreasonably complicated if the bill becomes law.

Proxies for Quorum Only: The instructions show a lack of expertise regarding quorum only proxies. Quorum only make a negative difference to the adoption of motions and in some cases elections. There are voting actions and consequences as any experienced condominium attorney, managing agent, or association officer knows.

Proxies to Individuals: If the explanation of a proxy given to an individual becomes law, then voiding the proxy by check-in means that it couldn't be used in a continuation of an annual or special meeting, potentially destroying a quorum should there be a need for continuance (such as last Monday and Tuesday meeting continuances.)

Proxies to the Board as a Whole: Many stakeholder worked for years to change the requirement to a majority of directors present at the meeting. Redefining this proxy form increases the chances that owners selecting this option will not be able to have their vote counted if board members are not present at the meeting. Additionally, this is unprecedented use of the word "happy" in the phrase, "If you are *happy* with the composition of the total Board ..." This would be humorous in other contexts. In this context it has a high potential of damaging numerous condominium associations, planned community associations, and cooperatives.

Coincidentally, I teaching on electronic voting for condominiums so won't be at the hearing. However, I support and agree with Ms. Anderson's analysis and testimony against this bill.

SB-2298

Submitted on: 2/6/2026 12:49:56 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 support HR 1834 and SB 2298. I remember the first time I received a proxy form. I couldn't figure out what option best suited my circumstance. It was several years and multiple seminars before I understood what each option truly meant and what option was truly best for me. Voting for our association's board members shouldn't be confusing. Voting should be clearly explained, so there is no question about how a homeowner's proxy is being used and tabulated.

I support HR 1834 and SB 2298 which requires common interest community proxy forms to include certain language related to the selection options for proxies.

Mahalo.

TESTIMONY IN OPPOSITION TO SB2298

Being heard by the Senate Committee on Commerce and Consumer Protection on Friday, February 13, 2026 in Room 229.

Aloha Chair Keohokalole, Vice Chair Fukunaga, and Committee Members:

I am a long-time condo owner and am on the Board of my current condo. I am limiting my testimony in opposition to the proposed amendments to HRS 514B-123. I am opposing SB2298 because instead of clarifying the proxy form, it appears to make it more confusing. Some of the proposed language to be added is confusing and makes assumptions that are not correct. For example:

On page 7, lines 17-21 it states, "If, on the day of the Annual Meeting, you do not attend and check in at the Annual Meeting, this proxy shall become void and you will be directly participating in the voting ballot process."

This has not been my experience. Many times, people who give me their proxy may attend the Annual Meeting, but they still want me to vote their proxy. In other words, the proxy remains valid.

On page 8, lines 1-7 it states, "This section means the proxy is presented to the entire Board, not just to individual Directors. The Board is voting together as one. If you are happy with the composition of the total Board (Board as a whole), selecting this box will put your vote toward re-electing the current members of the Board."

This has not been my experience. At least at my condo, not all Board members are up for re-election each year. Also, some Board members' who terms are ending do seek re-election. Finally, the Board does not always decide to vote for incumbents.

On page 8, lines 8-20. I just find this language totally confusing. By adding this language, it would just result in more confusion.

Finally, by including the proposed language, it turns the current one-page proxy form into a multiple page document. As someone who receives proxies via email and emails multiple proxies to my condo's management agent, this makes the process more laborious for me (and other owners). Moreover, it's been my experience that when owners receive a voluminous document they tend not to read it which would be counter to the intent of the bill.

Sincerely,

Sandie Wong

SB-2298

Submitted on: 2/5/2026 2:30:48 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 oppose this measure.

SB-2298

Submitted on: 2/6/2026 12:15:42 PM

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

Submitted By	Organization	Testifier Position	Testify
Pamela Scott	Individual	Support	Written Testimony Only

Comments:

We have a hard time getting people to complete their proxy forms in order to make quorum for the annual meeting. Even as a long-time board member, I don't understand the instructions on the form. Owners should also know about the harm that can be done by handing their proxy over to someone that they don't know. We have a predatory real estate investor on our board who continually misleads owners in order to get their proxy and sway decisions (and votes) at the annual meeting.

SB-2298

Submitted on: 2/8/2026 3:55:34 PM

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

Submitted By	Organization	Testifier Position	Testify
Lourdes Scheibert	Individual	Support	Written Testimony Only

Comments:

SB2298 — Testimony in Support

Senate Committee on Commerce and Consumer Protection (CPN)

To:

Chair, Senator Jarrett Keohokalole
Vice Chair, Senator Carol Fukunaga
Committee on Commerce and Consumer Protection

From: Condominium Owner

To the Chair, Vice Chair, and Members of the Committee:

I strongly support SB2298.

This measure is a straightforward consumer protection bill that addresses a common and well-documented problem in common interest communities: **proxy forms that are confusing, misleading, or result in owners unintentionally surrendering their voting power.**

In practice, many owners sign proxy forms believing they are helping their association reach quorum, without understanding that their vote may instead be used to re-elect incumbent boards or be allocated among only those directors physically present at the meeting. Others lose their voting rights entirely because proxy forms fail to clearly explain how to complete them correctly.

SB2298 does not expand board authority, alter voting thresholds, or interfere with association self-governance. It simply requires that proxy forms include **clear, standardized explanations** of what each proxy option actually does. This ensures that owners are able to make informed choices and that proxies reflect true owner intent.

From a consumer protection perspective, this bill:

- Prevents unintentional disenfranchisement
- Reduces the risk of misleading election practices
- Improves transparency without increasing costs or regulatory burden

The bill also provides condominium owners with a simple option to request a copy of the annual audit, further supporting informed decision-making and financial transparency.

The Committee on Commerce and Consumer Protection routinely evaluates whether consumers are given fair notice and meaningful choice. SB2298 clearly meets that standard. It is a modest, common-sense reform that strengthens trust in association governance while preserving self-management.

For these reasons, I respectfully urge the Committee to pass SB2298.

Mahalo for the opportunity to submit testimony.

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

To: Senator Jarrett Keohokalole, Chair
Re: SB 2298, Relating to Common Interest Communities

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

Mahalo for the opportunity to testify on SB 2298, which seeks to address the longstanding confusion surrounding proxy voting in condominium and community association elections.

While supporters of proxy voting argue that it compensates for owner apathy, the practical outcome has often been the opposite. Year after year, incumbent directors are re-elected despite substantial and visible owner dissatisfaction. This repeated pattern creates a perception that outcomes are predetermined and leadership is effectively entrenched. When owners believe their individual votes carry little weight, disengagement increases. Proxy-heavy systems can therefore reinforce the very apathy they are supposed to solve.

For roughly one-third of Hawai'i's residents, association-governed communities are their homes and a significant form of local governance. Ensuring that these associations operate through genuinely representative and trustworthy election processes should be a core legislative objective. Current election practices in many associations contribute to owner disenfranchisement, reduce transparency, and create opportunities for error and abuse. Proxy voting, in particular, introduces avoidable complexity and weakens direct voter intent.

Hawai'i's statewide election experience demonstrates that secure, direct ballot voting is both feasible and highly effective. The Office of Elections reported mail-in ballot participation rates of 95.11% in 2020, 96.02% in 2022, and 92.50% in 2024. These results show that when voting is direct, simple, and well-structured, participation rises — not falls.

Association elections would benefit from adopting a similar model: direct voting by ballot, whether in person or by mail, supported by clear procedures and an auditable paper trail. A ballot-based system promotes transparency, strengthens voter confidence, increases participation by off-island and overseas owners, and removes the confusion and dispute potential inherent in proxy assignments and proxy instructions.

For these reasons, I respectfully urge the Legislature to move toward eliminating proxy voting in association elections, strengthening ballot-based voting procedures, and ensuring that association election rules are enforceable and transparent. I respectfully request that SB 2837, which endeavors towards those goals receives a hearing.

Lila Mower

SB-2298

Submitted on: 2/9/2026 1:28:37 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:

I oppose S.B. No. 2298 for the reasons stated in the testimony of M. Anne Anderson.

John Toalson

February 9, 2026

RE: S.B. No. 2298

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

I OPPOSE S.B. No. 2298 for the reasons stated below:

A. Comments Related to All Sections of S.B. No. 2298.

First, the standard form proxies currently mandated by statute have been used for years and work well. No evidence of any wide-spread confusion is mentioned. Owners are quite capable of reading and understanding the proxy forms currently being used. There is no need for this bill.

Second, S.B. No. 2298 will add to the complexity and length of proxies, which will likely have the opposite effect of what is intended. The more complicated and lengthy a document is, the less likely people will take the time to read and complete it.

Third, when owners return proxies via email (which many do), they are required to return the entire proxy form. Adding the new proposed information will increase the number of pages comprising the proxy. The more pages, the greater the likelihood that owners returning a proxy via a pdf document will forget to scan all pages, causing the proxy to be invalid and thus, disenfranchising the owner giving the proxy. See HRS Section 514B-123(g) which provides:

(g) A copy, facsimile telecommunication, or other reliable reproduction of a proxy may be used in lieu of the original proxy for any and all purposes for which the original proxy could be used; provided that any copy, facsimile telecommunication, or other reproduction ***shall be a complete reproduction of the entire original proxy.*** (Emphasis added).

Fourth, the bill requires that all standard form proxies include new language which refers to the “Annual Meeting.” The reference to the “Annual Meeting” will be highly confusing to owners when a standard form proxy is used for a special or regular association meeting. In those instances, it may make it unclear what meeting the proxy is being given for which could serve to invalidate the proxy altogether.

Fifth, the second box on the proposed proxy form found in SECTIONS 1 - 3 states if the owner (or shareholder in the case of a cooperative) gives a proxy and then appears at the meeting, the proxy will “become void.” Currently, that is not always the case and may be contrary to the wishes of the owner. For example, an owner who owns two units might want to appear and cast a vote for one unit but give a proxy for the owner’s other unit to a spouse, friend, or lawyer who may be better qualified to speak to issues at the meeting. In that case, the owner might appear in person to cast votes for one of his units but wish his designated proxy to cast votes for his second unit. This new explanation may serve to “void” the owner’s proxy without regard to the owner’s wishes.

Sixth, the box for the “Board as a whole” *constitutes a major change* which will create difficulties for many associations and possibly prevent proxies from being voted, thus disenfranchising owners. Currently, the statutory mandated proxies for condominiums and planned community associations allows an owner to check a box giving the proxy to the board as a whole with the vote to be *“made on the basis of the preference of the majority of the directors present at the meeting.”*

The proposed explanation for the new box states that by checking the box, the proxy will be “presented to the entire Board” and that the Board “is voting together as one.” This could be construed as requiring the “entire” board to be present at the meeting in order to cast the proxy vote which may serve to prevent the proxy from being voted if the “whole” or “entire” board is not present at the meeting. For example, if a single director is absent due to an illness or a death in the family, this might prevent the board from casting votes for owners who check the “Board as a whole” box. The current language which permits proxies given to the Board as a whole to be voted based on the basis of the preference of the majority of the directors present at the meeting is far better language.

Additionally, the explanation offered for this box makes assumptions. It states that “selecting this box will put your vote toward re-electing the current members of the Board.” This assumes that the board as a whole will elect its own members. It also assumes that all incumbent directors whose terms are up are running for re-election. It ignores the fact that the board as a whole does not always cast votes in favor of incumbents and it ignores the fact that not all incumbents run for re-election. *It is wrong to “assume” how a board will vote. Wrong assumptions lead to wrong explanations and may mislead owners into believing that their proxies will be voted differently from how they are actually voted.*

Seventh, the explanation of the box next to “those Directors present at the Meeting” is also problematic as it does not apply to all circumstances. For example, it states that only those directors who are *“physically present”* at a meeting may vote the proxy. While this may be true for meetings that are held “in person” with no participation via the internet, it is not true for hybrid meetings where owners may attend either in person or via the internet or for meetings that are held electronically only with no physical location. In the latter event, no director or owner, is physically present.

The explanation of this particular box also gives an example of a “majority” of the board. This example is confusing because a “majority” of the board has absolutely nothing to do with this box by which owners give their proxy to “those Directors present at the Meeting with the vote to be shared with each Director receiving an equal percentage.”

The explanation for this box also states that “your ownership is then divided amongst the Board Members present at the meeting.” This terminology is wrong. It is the owner’s “vote” not the owner’s “ownership” that is divided among the Board members present at the meeting.

The problem with using general explanations is that they do not fit all circumstances. If more detailed explanations are needed, at the very least they should be accurate and void of generalizations and assumptions.

B. Quorum Only Proxies.

In addition to the comments set forth above, the explanation of a quorum for planned community associations, cooperative housing corporations, and condominium associations is not only confusing but wrong in some cases.

1. Planned Community Associations.

The language for the “for quorum purposes only” proxies for planned community associations found in SECTION 1 states that in order for the Association to legally conduct the “Annual Meeting,” (again special and regular meetings are ignored) “it requires a Quorum percentage of Ownership.” It is unclear what the phrase “Quorum percentage of Ownership” means for a planned community association. This phrase is not defined in HRS Chapter 421J. Owners in planned community associations **do not** own an undivided interest in the common elements as do owners of condominium units so the phrase “Quorum percentage of Ownership” is confusing, at best.

Additionally, the quorum requirement for many planned community associations is based on owners representing a certain number or percentage of “votes” or “lots.” For example, the quorum might be owners representing a specific number of votes, owners representing a specific number of lots, or owners representing a majority of the votes. The phrase “Quorum percentage of Ownership” does not fit any of these examples. That is the problem with attempting to use a generic explanation. There is no “*one size fits all*” when it comes to planned community associations.

2. Cooperative Housing Corporations.

This quorum definition found in SECTION 2 for cooperative housing corporations is the same as that for planned community associations. Again, it is not clear what is meant by “Quorum percentage of Ownership.” This phrase is not defined in HRS Chapter 421I. Quorum requirements for cooperatives are often based on the number or percentage of shares represented at the meeting.

3. Condominium Associations.

The same “Quorum percentage of Ownership” phrase is found in Section 3 in the “for quorum purposes only” box for proxies used by condominium associations. Once again, its meaning is unclear as this phrase is not found in HRS Chapter 514B. Quorum requirements for condominiums are **generally (but not absolutely)** based on a percentage of the total “common interest.” “Common interest” is a defined term and one that is easily understood, but not used in this bill. Quorum requirements may be different for different condominium associations, especially those that have different classes of membership, *e.g.*, “residential owners” and “commercial owners.”

For the foregoing reasons, I urge the Committee to permanently defer S. B. No. 2298.

Respectfully submitted,


M. Anne Anderson

SB-2298

Submitted on: 2/9/2026 3:04:30 PM

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

Submitted By	Organization	Testifier Position	Testify
Jeffrey Berry	Testifying for Makaha Valley Towers Condominium President BOD	Oppose	Written Testimony Only

Comments:

My name is Jeffrey Berry. I am the President of a Board of Directors for a very large (586 Units) condominium HOA, here on Oahu.

I oppose S.B. No. 2298 for the reasons stated in the testimony of M. Anne Anderson.

Multiple points raised by M. Anne Anderson resonate as important objections to this Legislation. The simplest and perhaps most practical is the added complications this adds to the proxy documents and the process. This is a tried and true system as it exists, one that has not only proven itself to be clear and understandable to the average proxy holder, but that has produced healthy Quorum numbers for Condo Associations state-wide for many years.

Let's please not risk jeopardizing Quorum by attempting to fix something not broken.

Best Regards,

Jeffrey Berry

HOA Board President

SB-2298

Submitted on: 2/9/2026 4:03:37 PM

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

Submitted By	Organization	Testifier Position	Testify
Rachel Glanstein	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I oppose S.B. No. 2298 for the reasons stated in the testimony of M. Anne Anderson. This appears to be looking to "solve" problems that don't exist. Please don't make proxies more confusing.

Mahalo,

Rachel Glanstein

SB-2298

Submitted on: 2/9/2026 5:20:14 PM

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

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

Comments:

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

I respectfully submit testimony in support of SB 2298, with comments.

The intent of SB 2298 to improve owner understanding of proxy voting is sound and appropriate. Clear, unbiased explanations of proxy options help owners participate more meaningfully in association governance, reduce confusion, and strengthen confidence in the legitimacy of annual meetings and board elections.

For well-run condominium associations, proxy confusion often leads to unnecessary disputes, challenges to election outcomes, and delayed meetings due to quorum issues. Improving transparency and clarity at the front end benefits owners, boards, and managing agents alike.

As the Committee considers this measure, I respectfully encourage that any required explanatory language remain neutral, concise, and standardized, so that it educates owners without unintentionally steering decision-making or creating interpretive ambiguity. Clear statutory guidance or uniform explanatory standards would help ensure consistency across associations while avoiding unintended rigidity.

With those comments, I support SB 2298 and appreciate the Legislature's efforts to strengthen owner education and effective self-governance within common interest communities.

Mahalo for the opportunity to provide testimony.

SB-2298

Submitted on: 2/9/2026 5:35:11 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 the owner occupant and board member of a Honolulu condo. Please accept this as testimony in strong opposition to SB2298. This is a terrible bill. It assumes that proxies are difficult to understand and rewrites the proxy form in a manner that is confusing, conflicting, makes it longer, thus increasing the odds that not all pages will be returned or scanned to send as an email, making it invalid. Why you would want to change the language when it has successfully been used for years is incomprehensible. From other inconsistencies in the language of the bill it is clear that the drafters do not understand how proxies work.

Giving a proxy to the board as a whole assumes that current board members will be reelected or are even running. In many instances at least one member does not stand for reelection? How is this to be handled?

The list goes on. There are errors relating to quorum purposes only, use of the term annual meeting, and I don't have the time to correct all your errors. The drafters should have understood what is involved, how each action is affected and how it actually works, and then, if necessary, presented an accurate bill for consideration.

For these reasons I ask you to defer this bill instead of creating more problems for the hundreds of thousands who reside in condos.

On the positive side, it will create more paid work for the attorneys and parliamentarians who prepare their clients for the annual and special meetings.

Lynne Matusow

SB-2298

Submitted on: 2/9/2026 9:35:00 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 support SB2298

SB-2298

Submitted on: 2/9/2026 10:29:25 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:

I oppose S.B. No. 2298 for the reasons stated in the testimony of M. Anne Anderson.

Sincerely

Julie Wassel

SB-2298

Submitted on: 2/10/2026 6:27:00 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. 2298 for the reasons stated in the testimony of M. Anne Anderson.

Thank you,

Lance Fujisaki

SB-2298

Submitted on: 2/10/2026 2:43:05 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 agree with testimony submitted by Anne Anderson. The present proxy forms have been used for years. It is simple and direct. The added verbiage may discourage homeowners from even completing it. It is hard enough to get owners to reply to them, let's not make it more difficult. Therefore I oppose this bill.

Mary Freeman

Ewa Beach

SB-2298

Submitted on: 2/10/2026 7:39:43 PM

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

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

Comments:

I do not understand the purpose of this bill.

Most condominium owners do not participate in their associations, because they are apathetic or intimidated by their boards.

They do not know what their rights are. They do not know that they are entitled to obtain a current list of the members of their association, in order to solicit votes or proxies (HRS 514B-153).

The same owners tend to serve on boards for years, without scrutiny.

Taking away the option of assigning proxies to the board or Directors, and informing owners that they may campaign for office might encourage owners to be more active in their associations.

Proxies could still be used to attain a quorum at meetings.

Allowing owners the option of obtaining copies of annual audits might be helpful, depending on how detailed the audit reports are.

SB-2298

Submitted on: 2/10/2026 9:15:46 PM

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

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

Comments:

Committee on Commerce and Consumer Protection

SB 2298 – Proxy Explanations

Friday, February 13, 2026 @ 9:30 AM

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

There is nothing to lose by providing these explanations and everything to gain. I have a feeling that a non-insignificant number of people do not even know what Voting As A “Whole” or “Equal Parts” work or what they mean.

I would request the following additions to the Bill:

1. Require the ordering of voting choices on the proxy form to match this Bill, which would require “For quorum purposes only” to be the first “default” option.

Wishlist items:

1. I hope we will move to a two-envelope system for returning proxies. Imagine the Associations that are self-managed and where a Board Member is in a contested election. Since the proxies are mailed to the Board prior to the Annual Meeting and the envelopes are opened by the Board prior to the meeting, the Board members know the real-time results of the vote, giving them a huge advantage over non-Board members and allowing the Board members to continue campaigning for the exact number of additional votes that they know they will need to win.

1. Get rid of Voting As A Whole completely. It discourages well-intentioned people from running for the Board, who oftentimes are trying to change the status-quo for the better. It also creates an environment of cronyism and has not solved the problem it was originally supposed to solve. It also discourages participation of owners in their condo governance by making it OK to not know what is going on in their Association.

Thank you for your work and interest in these issues,

Jeff Sadino

JSadino@gmail.com

SB-2298

Submitted on: 2/10/2026 9:43:20 PM

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

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

Comments:

Testimony in Opposition – S.B. 2298

Aloha Chair and Members of the Committee,

I respectfully oppose S.B. 2298.

Hawaii’s condominium insurance market is not functioning as a healthy competitive marketplace. It operates more like a constrained oligopoly, where a small number of carriers dictate terms to associations that have no meaningful alternatives. Premiums have skyrocketed, deductibles have ballooned, exclusions have expanded, and nonrenewals have destabilized communities statewide.

Against that backdrop, legislation that increases insurer flexibility without creating corresponding consumer protections moves us in the wrong direction.

This bill appears to further accommodate underwriting discretion and carrier risk management. It does not meaningfully address rate oversight, transparency in coverage reductions, deductible escalation, or the systemic leverage imbalance facing condominium associations.

Condominium associations are not speculative ventures. They are housing communities. When insurers narrow coverage or impose unaffordable premiums, the burden falls directly on owners through maintenance fee increases and special assessments. Many residents are retirees and working families who cannot absorb repeated shocks.

If the Legislature truly seeks market stabilization, it must broaden the conversation beyond protecting carrier participation. Hawaii should explore statutory mechanisms that allow associations to:

- Establish pooled risk programs
- Access state-facilitated bonding structures
- Form regulated self-insurance cooperatives
- Participate in captive insurance models under clear oversight

Other sectors have alternatives when private insurance markets fail. Condominiums deserve the same tools.

Until we address the structural imbalance and create real competition or viable alternatives, measures that primarily benefit carriers will deepen the stranglehold on Hawaii's housing market.

I urge the Committee to reject S.B. 2298 and instead pursue reforms that empower condominium communities with affordable and independent risk management options.

Mahalo for your consideration.

Jessica Herzog
Condo Owner, Waianae
aloha@localparliamentarian.com

SB-2298

Submitted on: 2/10/2026 10:47:54 PM

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

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

Comments:

I oppose S.B. No. 2298 for the reasons stated in the testimony of M. Anne Anderson.

Committee on Commerce and Consumer Protection
Hearing: February 13, 2026

Dear Senator Jarrett Keohokalole, Senator Fukunaga and members of this important committee,

HB 1834 SB2298 SUPPORT with comments

Proxy Form explanation.

We need to inform our owners of the importance of the Proxy. Including an explanation will help to deliver the importance information related to the box selection and what it means to the Association. And include the Responsibility of the homeowner to turn in the proxy.

Please add to the explanation:

Submitting form for **Quorum Only**, what that means and why it is important to do so.

Giving your vote to the Board as a whole and what that means

Add to the explanation: What happens when you specify a specific person to be your proxy and what happens if they decide to go to the meeting.

Respectfully submitted by

Jo-Anne Kushima
Board Secretary, Waiiau Garden Court

Committee on Commerce and Consumer Protection
Hearing Date: February 13, 2026

Dear Senator Keohokalole, Chair, Senator Carol Fukunaga, Vice Chair and members of this valued committee.

Testimony for SB2298

As an aging adult, this is so wonderful to have an explanation of each of the boxes. Many of us in this building are aging adults and we do this once a year and I always need to refer to HCCA for a reminder of what each box means.

I do wish the form would include the owner's rights about being solicited by a property manager or employee, and the meaning of it and their obligation to turn in the proxy.

It is requested the proxy explanation include:

HRS 514B – 123j

No managing agent or resident manager, or their employees, shall solicit, for use by the managing agent or resident manager, any proxies from any unit owner of the association that retains the managing agent or employs the resident manager.

Respectfully **submitting SUPPORT** for this bill.

Thank you

Condominium owner since 1993

SB-2298

Submitted on: 2/11/2026 10:33:00 PM

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

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

Comments:

The intent of this bill appears to be to explain the various choices presented by the proxy form, but in my opinion the explanations of Board votes (either "the Board as a whole" or "each director receiving an equal percentage") serve to confuse more than clarify.

In particular, the "Board as a whole" selection phraseology that "the Board is voting together as one" is totally unclear, and the statement that "If you are happy with the composition of the total Board (Board as a whole), selecting this box will put your vote toward re-electing the current members of the Board" is not what this choice means at all. Indeed, it's possible that the current Board members are not even running for re-election during the particular election.

I favor direct balloting (including by mail or electronic means" instead of proxy voting (voting by proxy leads to fixed elections, as I have seen in the past 15 years at my condominium), but if the proxy option is continued this bill needs to be amended / reworded before it is considered. In its current form I oppose it.

Thank you for the opportunity to voice my opinion.

LATE

SB-2298

Submitted on: 2/12/2026 1:14:57 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 also join in the testimony of M. Anne Anderson.

Sincerely,

Paul A. Ireland Koftinow

LATE

TESTIMONY IN OPPOSITION TO SB2298

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,

I am in opposition to SB2298 as written, as it does not change the extreme power that can be given to Boards to vote on behalf of the owners, many of whom often don't know what is really going on within their association. Additionally the language states that a proxy would be automatically returned if the owner shows up for the meeting, but proxies should always be allowed to remain with the person given to, if the owner does not want it returned and just wants to sit and watch the meeting.

I am requesting that you please amend this bill to remove two sections:

- 1) To the Board as a whole.
- 2) To those Directors present at the Meeting with the vote to be shared with each Director receiving an equal percentage.

And to strike the language regarding automatically returning a proxy.

And better yet, I would ask that you please amend it further to remove proxy voting completely, as this is not a democratic way to vote. Each owner should have a ballot with candidates and agenda items to vote for, which they can mail in with special sealed envelopes to be opened only at the annual meeting.

And 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-2298

Submitted on: 2/13/2026 5:46:09 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 OPPOSE this SB2298 for the reasons stated in the testimony of M. Anne Anderson.

The standard for proxies currently mandated by the statute has been used for years and works well, and no widespread confusion has been reported. Owners are quite capable of reading and understanding the proxy forms being used. There is no need for this bill.

This bill will only ADD to the complexity and length of proxies, likely having the opposite effect of what is intended. The more complicated and lengthy a document is, the less likely people are to take the time to read and complete it.

The problem with general explanations is that they do not apply to all circumstances. **IF MORE DETAILED EXPLANATIONS ARE NEEDED, AT THE VERY LEAST THEY SHOULD BE ACCURATE AND VOID OF GENERALIZATIONS AND ASSUMPTIONS.**

I urge the Committee to permanently defer SB 2298.

Respectfully submitted,

Chandra R.N. Kanemaru