

March 4, 2026

The Honorable Jarrett Keohokalole, Chair

Senate Committee on Commerce and Consumer Protection
State Capitol, Conference Room 229 & Videoconference

RE: Senate Bill 2396, Relating to Property

HEARING: Wednesday, March 4, 2026, at 9:35 a.m.

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

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR **supports the intent** of Senate Bill 2396, which requires the Department of Commerce and Consumer Affairs to establish and maintain a Registry of Agents designated to manage a property on behalf of an absentee owner or landlord. Requires an absentee owner or landlord to register any agents managing a property on their behalf with the Department of Commerce and Consumer Affairs. Prohibits an absentee owner or landlord from designating a tenant as an agent. Establishes penalties for an absentee owner or landlord that fails to register an agent with the DCCA or fails to designate an agent. Requires member owners of a condominium association who live outside the State or on another island of the State from where the unit is located to provide the association's managing agent, resident agent, or board with the contact information of a designated on-island agent for the unit, which shall be included on the address list maintained by the association

With approximately 38% of Hawaii residents living in rental housing, the rental market plays a critical role in meeting the State's housing needs.¹ Real estate licensees who are professional property managers do far more than assist with the rental process. They handle the day-to-day operations of rental properties and provide essential consumer protections by ensuring compliance with the Residential Landlord-Tenant Code, helping to keep rental housing safe and habitable. Property managers also serve as the primary point of contact for both owners and tenants and are responsible for coordinating routine and emergency repairs, conducting inspections, addressing emergencies and other complaints, among many other responsibilities.

Currently, under the Landlord Tenant Code, Hawaii Revised Statutes ("HRS") §521-43, any owner or landlord who resides outside the State or on another island from where the rental unit is located shall designate on the written rental agreement an agent residing on the same island where the unit is located to act on the owner's or landlord's behalf. In the case of an oral rental agreement, the information shall be

¹ State of Hawaii Department of Business, Economic Development & Tourism. (June 2024). *Overcrowding in Housing*. https://files.hawaii.gov/dbedt/economic/reports/Overcrowding_in_Hawaii_Housing.pdf

supplied to the tenant, on demand, in a written statement. HAR would note that on our Rental Agreement standard form there are provisions for including the information of an on-island landlord, owner, or designated agent, including their address, telephone #, emergency phone #, email, and whether the designated agent is licensed.

In practice, however, compliance may be inconsistent especially if they are not following the Landlord-Tenant Code. In some instances, particularly with absentee owners, it may be difficult to identify an on-island agent, and tenants may have trouble determining who is responsible for addressing maintenance issues or responding to emergencies.

Under the definitions set forth in HRS §467-1 governing the licensure of real estate brokers and salespersons, a license is required when an individual, for compensation or other valuable consideration, leases or offers to lease, rents or offers to rent, or manages or offers to manage real property or any improvements thereon. Although the Regulated Industries Complaints Office² has indicated that an on-island agent is not required to hold a real estate license unless engaged in real estate activities, it remains unclear which "real estate activities" may be performed by an on-island agent without a license, what constitutes "managing" a property in which a license would be required, and whether this regulatory framework provides adequate consumer protection. Therefore, we support a greater regulatory framework on this issue and believe it merits further discussion.

In 2025, the Legislature passed Senate Concurrent Resolution 123, HD1, which established a three-year Landlord-Tenant Working Group, of which Hawai'i REALTORS® and other key stakeholders are members. The Working Group is currently conducting a comprehensive review of the Residential Landlord-Tenant Code, and HAR believes this issue would be an important topic for the Working Group to discuss.

Mahalo for the opportunity to testify.

² Regulated Industries Complaint Office. (July 19, 2018). *Information for Owners of Rental Properties*. <https://cca.hawaii.gov/wp-content/uploads/2026/01/REC-190718-Info-for-Owners-of-Rental-Property-1.pdf>

SB-2396

Submitted on: 2/27/2026 7:10:05 AM

Testimony for CPN on 3/4/2026 9:35:00 AM

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

Comments:

Our association supports SB2396. Please pass this bill.

Mike Golojuch, Sr, President, Palehua Townhouse Association

SB-2396

Submitted on: 2/28/2026 8:36:50 PM

Testimony for CPN on 3/4/2026 9:35:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|--|---------------------------|------------------------|
| Jane Sugimura | Testifying for Hawaii Council of Community Association | Oppose | Written Testimony Only |

Comments:

Oppose SB2396

We understand the intent of SB2396, however, maintaining a list with the requirements of SB2396 is an on-site administrative task that is done by the On-Site management. It is not something that can be done by the Managing Agent either or if done by the Managing Agent will only add a very expensive cost to the Association.

Consider amending this bill that would require the Condominium Board of Directors to maintain such list with the information designated in this bill.

Thank you for allowing this testimony.

Jane Sugimura, President

Hawaii Council of Community Associations

SB-2396

Submitted on: 3/2/2026 8:22:34 PM

Testimony for CPN on 3/4/2026 9:35:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|----------------|
| Mishka Sulva | Individual | Support | In Person |

Comments:

Aloha Committee on Commerce and Consumer Protection,

I strongly support this measure to strengthen the existing on-island agent law and introduce penalties for violators.

Requiring on-island agents protects Hawai‘i residents—tenants and neighbors alike—from the long-distance neglect of absentee landlords. However, the current law does not include enforcement or penalties and as a result, the good guys follow the rules while the others ignore them.

Many of us in Hawai‘i are grateful if we can just have a home to call our own. My first and only home is one side of a duplex. I don’t want to own more properties, I just want to make a home for my family. My neighbor is great, but the owner of the unit next door lives all the way in Florida. I’m sure you can imagine how a distance of over 4,000 miles and 5 time zones can complicate things like maintenance or other issues between owners. Absentee landlords make it more difficult for tenants, neighbors, and communities to thrive and ensure a basic standard of living.

I also encourage you to complete this bill by including the timeframes that were left blank in this draft. I defer to the Department of Commerce and Consumer Affairs for their suggestions should they offer them. In lieu of the DCCA providing suggestions, I would like to suggest a period of less than 30 days be entered so as to ensure all relevant parties can update their contacts within a typical monthly rental cycle.

Owning housing in Hawai‘i should represent a kuleana to our people, the ‘āina, and our communities. Let’s make the law matter and pass this measure.

Mahalo for scheduling this bill for a hearing and considering my testimony.

Mishka Sulva

SB-2396

Submitted on: 2/26/2026 7:31:07 PM

Testimony for CPN on 3/4/2026 9:35:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|----------------------|---------------------|---------------------------|---------------------------|
| Johnnie-Mae L. Perry | Individual | Support | Written Testimony Only |

Comments:

I, Johnnie-Mae L. Perry, Support

w/o comment RENEWAL OF AGREEMENT BETWEEN ABSENTEE OWNER OR
LANDLORD ON-ISLAND AGEN REGISTRY EVERY 2 YEARS.

2396 SB RELATING TO PROPERTY.

SB-2396

Submitted on: 2/27/2026 1:18:13 PM

Testimony for CPN on 3/4/2026 9:35:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Abbra Green | Individual | Oppose | Written Testimony Only |

Comments:

I oppose this measure.

SB-2396

Submitted on: 2/27/2026 3:31:47 PM

Testimony for CPN on 3/4/2026 9:35:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Dawn Wakukawa | Individual | Support | Written Testimony Only |

Comments:

It's really shocking and alarming that there isn't already a registry of agents in place already. As a homeowner and a landlord who resides on island, I fully support this.

SB-2396

Submitted on: 2/28/2026 8:23:29 PM

Testimony for CPN on 3/4/2026 9:35:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Raelene Tenno | Individual | Oppose | Written Testimony Only |

Comments:

Oppose SB2396

The Landlord Tenant law HRS 521-43F already requires off island owners to provide an on island representative for the unit.

This is a burdensome task for a Managing Agent to handle and maintain plus it would only increase costs to the Association via the Managing Agent contract costs.

Most condos require tenants to register and complete a "Resident Information" form with the on-site General Manager or Resident Manager and provide their contact information as well as emergency contact information. Sometimes it might require employment contact information only to be used for emergencies such as fire or a water leak.

At this point the on-site condo management can verify the owner, landlord or landlord representative information including all contact information with the tenant.

It would be extremely burdensome for a on-site condo management to have to chase down the property manager to obtain this information. Often this data might be stored in a secured file with password depending on the Management Company.

In the meantime more damage especially water, could be ongoing.

Please consider to amend the requirement to "Condominium Board of Directors" to maintain a current list of residents with contact information to include the on island representative for the unit owner to comply with HRS 521-43(f).

Thank you for the opportunity to submit this testimony.

Raelene Tenno - Condo owner since 1990