

## **Testimony of the Real Estate Commission**

**Before the  
House Committee on Consumer Protection and Commerce  
Thursday, April 13, 2023  
2:15 p.m.  
Conference Room 329 and Videoconference**

**On the following measure:  
S.C.R. 124, URGING THE REAL ESTATE COMMISSION TO DEVELOP POLICIES  
AND PROGRAMS TO INFORM AND EDUCATE CONDOMINIUM ASSOCIATION  
OWNERS AND BOARD MEMBERS OF CERTAIN MATTERS TO PROMOTE THE  
EFFICIENT ADMINISTRATION OF CONDOMINIUM ASSOCIATIONS**

Chair Nakashima and Members of the Committee:

My name is Derrick Yamane, and I am the Chairperson of the Hawai'i Real Estate Commission (Commission). The Commission supports this concurrent resolution, but questions its necessity.

The purpose of this concurrent resolution is to urge the Commission to develop policies and programs to inform and educate condominium association owners and board members of certain matters to promote the efficient administration of condominium associations.

For the Committee's information, under Hawaii Revised Statutes section 514B-71, the Commission's current mandate is to administer the Condominium Education Trust Fund (CETF) for education and research in areas including condominium management, the efficient administration of associations, and support for mediation and arbitration. Condominium education is the focus of the Commission.

The Commission currently offers an extensive menu of educational programs both in-person and on-line, and reaches out to communities throughout the State. In addition to answering in-office inquiries via walk-ins, emails, and mailed correspondence, the Commission created and provided the following educational opportunities:

- Brochures, flyers; magazine articles, quarterly Commission Condominium Bulletin;
- Educational fairs;
- In-person and virtual Condorama educational panel series;

- Regular informational email distribution;
- Educational presentations to association management companies, the Hawaii State Bar Association; Title companies; the Community Council of Maui; Kauai Board of REALTORS; Hawaii Home Ownership Center; Condo Insider - Think Tech;
- Subsidized workshops, seminars, and newsletter articles through CAI Hawaii; and
- Hawaii Condo Living Guide video series.

Additionally, over the last several years, the Commission's programs have been recognized locally and nationally for their educational excellence. It is the mission of the Commission to protect the interests of Hawai'i consumers regarding real estate and condominium matters; the Commission continues to strive to educate the condominium community through creating and providing multiple and varied condominium educational opportunities.

Thank you for the opportunity to testify on S.C.R. 124.

**SCR-124**

Submitted on: 4/12/2023 5:41:10 PM

Testimony for CPC on 4/13/2023 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jane Sugimura	Hawaii Council of Association of Apt. Owners	Support	Written Testimony Only

Comments:

Hawaii Council of Association of Apt. Owners believes that education and training of board members will result in better governance decisions.

**SCR-124**

Submitted on: 4/11/2023 5:02:31 PM

Testimony for CPC on 4/13/2023 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Andrew Crossland	Individual	Support	Written Testimony Only

Comments:

I support this Resolution.

**SCR-124**

Submitted on: 4/12/2023 9:02:00 AM

Testimony for CPC on 4/13/2023 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jeff Sadino	Individual	Support	Remotely Via Zoom

Comments:

I SUPPORT this Bill because it attempts to improve the harmony of condominium living.

While I support this Bill, it is just a small step towards what is really needed, which is mandatory education. The trade industry frequently testifies that Board Members are volunteers who do not have the time to take on more (i.e.: their required) responsibility or do not have a sufficient legal background to understand their Governing Documents and 514B.

However, a Board Member is in a very unique position where:

1. the Member has a tremendous amount of power/control/authority over other Owners
2. the Member is often recklessly incompetent in exercising their governing responsibilities
3. there is a grossly unlevel playing field where the Board Member can utilize the full financial and time resources of billion-dollar management companies as well as the full financial and time resources of large law firms. Worse, the Member does not have to pay for legal fees because the Association will pay the legal fees for them. This removes many, if not all, incentives that would naturally exist for a volunteer Board member to try to do a good job.
4. when the Member breaks the rules, it is the condo Owner who bears the burden

If a Member is too lazy to know the rules of the AOA then they have no business being on the Board in the first place and will likely (as already proven many times in Court) cause more harm than good. Yes, they are volunteers, but that does not give them indemnity to ruin the lives of a condo owner because they are recklessly ignorant of their governance duties (as already proven many times in Court).

Thank you for the opportunity to provide testimony,

Jeff Sadino