

CONDOMINIUM PROPERTY REGIME TASK FORCE
Department of Commerce and Consumer Affairs
State of Hawaii

MINUTES OF MEETING

Date: February 20, 2026

Time: 1:00 p.m.

In-Person Meeting Location: Queen Liliuokalani Conference Room
HRH King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii 96813

Virtual Participation: Virtual Videoconference Meeting – Zoom Webinar
https://dcca-hawaii-gov.zoom.us/webinar/register/WN_nssWwohPQB2Lf-ntMQ6LVg

Present: Philip Nerney, Chairperson
Lila Mower, Vice Chairperson
Carol Fukunaga, State Senator
Dathan Choy, Department of Commerce and Consumer Affairs
Raelene Tenno, Member

Rochelle Araki, Technical Support
David Winber, Technical Support
Kedin Kleinhans, Recording Administrative Assistant

Excused: Sean Quinlan, State Representative
Kealii Lopez, Member
Patti Thiele, Member
Shari Wong, Deputy Attorney General

In-Person Guest(s): Lorie Sides

Virtual Guest(s): Gregory Misakian
Jeff Sadino
Lorraine Leslie
Sheldon Lee
Victoria Bordignon

Agenda: The agenda for this meeting was posted to the State electronic calendar and filed with the Office of the Lieutenant Governor, as required by Hawaii Revised Statutes (“HRS”) section 92-7(b).

Call to Order: After experiencing and resolving technical difficulties, the meeting was called to order at 1:22 p.m., at which time quorum was established.

Guest, Gregory Misakian, requested to provide oral testimony. Chairperson Nerney recognized Mr. Misakian.

Mr. Misakian reported that he submitted late testimony and requested his testimony was received and distributed. Recording Administrative Assistant Kleinhans confirmed. Mr. Misakian explained that House Bill No. 2453 and Senate Bill No. 3309 would provide an ideal solution to address issues concerning access to association documents through establishing an ombudsman's office for condominiums.

Guest, Victoria Bordignon, requested to provide oral testimony. Chairperson Nerney recognized Ms. Bordignon.

Ms. Bordignon stated that there is a huge problem with accessing association documents, in particular, when dealing with condominium managing agents. She noted that she is a licensed Real Estate Broker and understands that the DCCA Regulated Industries Complaints Office only deals with the licensed Principal Broker, and not the individual property managers. Ms. Bordignon believes licensure should be required for individual property managers.

Guest, Jeff Sadino, requested to provide oral testimony. Chairperson Nerney recognized Mr. Sadino.

Mr. Sadino agreed with Ms. Bordignon and suggested for the Task Force to consider methods to measure the success of any of its implementations, e.g., data collection. He added that the problems that were discussed by the Blue Ribbon Recodification Advisory Committee are the same problems being discussed today.

Old Business: **Approval of Minutes**

October 27, 2023

Guest, Gregory Misakian, requested to provide oral testimony. Chairperson Nerney recognized Mr. Misakian.

Mr. Misakian expressed concerns that he was unable to access any meeting minutes of the Task Force online. He reported encountering multiple 404 errors on the DCCA website. Mr. Misakian requested a working link to the DCCA webpage containing prior meeting agendas, prior meeting minutes, recordings of all prior meetings, and the supporting documents and testimony submitted and received for each meeting. Recording Administrative Assistant Kleinhans responded that he will advise Administrative Assistant Ladao to email a working link containing the requested information.

Upon a motion by Mr. Choy, seconded by Ms. Tenno, it was voted on and unanimously carried to approve the minutes of the October 27, 2023, meeting, subject to amendments that include the guests who were in attendance.

November 30, 2023

Upon a motion by Ms. Tenno, seconded by Sen. Fukunaga, it was voted on and unanimously carried to approve the minutes of the November 30, 2023, meeting, subject to amendments that: (1) include the guests who were in attendance; and (2) accurately reflect the date of the meeting on the headers for pages 2-3.

December 14, 2023

Upon a motion by Mr. Choy, seconded by Vice Chairperson Mower, it was voted on and unanimously carried to approve the minutes of the December 14, 2023, meeting, subject to amendments that: (1) include the guests who were in attendance; and (2) accurately reflect the date of the meeting on the headers for pages 2-3.

New Business:

Discussion Topic: Access to Association Documents

Chairperson Nerney reported on Senate Bill No. 2838, Senate Draft 1, which relates to access to association documents.

Ms. Tenno noted that per public testimony, it is apparent that owners are experiencing difficulties accessing documents.

Vice Chairperson Mower agreed. She added that the original version of Senate Bill No. 2838 proposed the creation of an online database of association documents maintained by the State. This proposed database would be neutral in comparison to a database or website maintained by a managing agent, which would likely be ineffective.

Chairperson Nerney expressed concerns regarding the posting of private association documents on a public database as it could potentially lead to price fixing.

Vice Chairperson Mower disagreed with regard to price fixing. She explained that transparency would operate as a compliance mechanism and provided an example of an “elevator modernization” contract where only superficial repair was conducted. An owner ended up stuck within the elevator cab. If owners were able to review the contract and realize the contract was for a superficial repair, and not for a complete modernization, then this problem would have been prevented.

Ms. Tenno also expressed concerns regarding bid negotiation and price fixing.

Vice Chairperson Mower clarified that the proposed database would include executed contracts; not documents regarding bid negotiation.

Chairperson Nerney stated that contractors could review contracts maintained by an association, which is likely to lead to price fixing.

Vice Chairperson Mower responded that for large retailers, such as car dealerships, all prices are public. She added that this provides consumers the ability to decide. With regard to the Senate Bill No. 2838, Senate Draft 1, she expressed concerns regarding enforcement.

Ms. Tenno indicated that the Hawaii Real Estate Commission imposes disciplinary actions against managing agents through their Real Estate broker license.

Vice Chairperson Mower commented that monetary punishments are likely ineffective; revocation of licensure should be pursued.

Discussion ensued on escalating fines for subsequent violations. Task Force members discussed concerns that the amount of fines imposed on managing agents by disciplinary action is too low. Ms. Tenno recalled that the Regulated Industries Complaints Office, at least according to its prior Complaints & Enforcement Officer, generally escalates the recommended amount of fines for subsequent violations by repeat offenders.

Mr. Choy also expressed concerns regarding the original version of Senate Bill No. 2838 and potential increased State liability. Condominium associations would likely enter into contracts at a disadvantage. He expressed further concerns that self-managed associations that do not maintain a contract with a managing agent would experience some difficulties in complying with the requirements of a proposed database.

Ms. Tenno responded that the onus would be on the board to comply.

Vice Chairperson Mower agreed with Mr. Choy with regard to self-managed associations.

Guest, Victoria Bordignon, requested to provide oral testimony. Chairperson Nerney recognized Ms. Bordignon.

Ms. Bordignon stated that owners have the burden to go through the entire document request process, including the Regulated Industries Complaints Office's process, if necessary. She added that managing agents cannot effectively manage the front-line property managers. Property managers primarily learn through on-the-job training, manage a portfolio of around

seven associations, yet are unaware of HRS chapter 514B. Requiring licensure for the individual property managers might address issues of owner document requests.

Guest, Gregory Misakian, requested to provide oral testimony. Chairperson Nerney recognized Mr. Misakian.

Mr. Misakian expressed concerns that the fines being imposed on managing agents for disciplinary action are low. With regard to the Task Force's discussion regarding escalating fines per subsequent violation, he agreed that fines should go up for each violation. Mr. Misakian also agreed with Chairperson Nerney that not all association documents should be made public.

Mr. Misakian explained that he currently serves as a board director for his association; however, he is unable to receive association documents that he requested. He suggested for additional amendments to Senate Bill No. 2838, Senate Draft 1, which specify that "directors on the board shall have access to all association documents."

Mr. Misakian stated that owners should also know about bid proposals, including prospective purchasers during the purchase process.

Guest, Jeff Sadino, requested to provide oral testimony. Chairperson Nerney recognized Mr. Sadino.

Mr. Sadino agrees with Ms. Bordignon with regard to on-the-job training of property managers, noting the possibility that some property managers, if not incompetent, are being overworked. The employers of these property managers should be addressing these issues.

Guest, Victoria Bordignon, requested to provide oral testimony. Chairperson Nerney recognized Ms. Bordignon.

Ms. Bordignon noted that the licensure of property managers would enable enforcement through licensing disciplinary actions.

Ms. Tenno expressed concerns regarding individuals who fail to redact confidential information, such as an individual's personal information, prior to the production of association documents.

Vice Chairperson Mower expressed support for Senate Bill No. 2838, Senate Draft 1, and noted that training is vital to address the concerns brought up by Ms. Tenno. She added that the upload or production of "altered" minutes should be addressed as well.

Ms. Tenno stated that Act 161, SLH 2025 addressed requests for association governing documents. She inquired how other association documents could be addressed.

Chairperson Nerney responded that there are legal remedies through court, as provided in HRS chapter 514B.

Vice Chairperson Mower also responded that courts should be the last option, or at least less involved. Court costs are too high and kupuna are currently facing financial difficulties. She mentioned that costs, in general, are getting out of control.

Ms. Tenno stated that the owners of today are paying for the mistakes of the owners of the past.

Chairperson Nerney noted that one of public testimonies received for this meeting claimed that he said, "None of us care about corruption." He stated that he does not recall saying that and does not hold that view. Chairperson Nerney emphasized that everyone should care about corruption.

Mr. Choy noted that at the last Task Force meeting, the Task Force motioned to request that DCCA provide proposed language to require real estate licensees who engage in the sale of condominium units to take certain continuing education courses. He clarified that the Hawaii Real Estate Commission presently has the authority to create and require condominium content through a "core course".

Mr. Choy summarized the Task Force's discussion and recommended considerations to improve access to association documents: (1) the licensure of community managers or other similar title(s) either under a new regulatory framework or the existing real estate licensing framework; (2) mandatory continuing education courses for real estate licensees that include condominium sales and management, pursuant to HRS §467-4.5(a)(3); and (3) a more robust series of minimum monetary fines and sanctions with increasing tiers or exponential penalties for repeat offenders levied by the DCCA.

Guest, Victoria Bordignon, requested to provide oral testimony. Chairperson Nerney recognized Ms. Bordignon.

Ms. Bordignon requested a copy of the summary in writing. Recording Administrative Assistant Kleinhans will advise Administrative Assistant Ladao of her request.

Discussion ensued on the topic for the next meeting. Task Force members agreed for the next topic to be "education at the point of sale."

Next Meeting: TBD

Adjournment: The meeting adjourned at 3:00 p.m.

Reviewed and approved by:

/s/ Philip Nerney

(Mr.) Philip Nerney
Task Force Chairperson

02/24/26 (Date Drafted)

- Minutes approved as is.
- Minutes approved with changes:

PN:kl:kck