

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

MINUTES OF MEETING

Date: November 30, 2023

Time: 1:30 p.m.

In-Person Queen Liliuokalani Conference Room

Meeting HRH King Kalakaua Building

Location: 335 Merchant Street, First Floor
Honolulu, Hawaii 96813

Virtual Virtual Videoconference Meeting – Zoom Webinar

Participation: <https://dcca-hawaii-gov.zoom.us/j/83298129616>

Present: Philip Nerney (Chair)
Lila Mower (V. Chair)
Senator Carol Fukunaga (Member)
Representative Sean Quinlan (Member)
Keali'i Lopez (Member)
Elaine Panlilio (Member)
Raelene Tenno (Member)
Pattie Thiele (Member)
Shari Wong, Deputy Attorney General
Dathan Choy (Administrative Staff)

Guests: Edward Hsu
Dale Head
Aaron Cavagnolo
Mark Brown
Greg Misakian
Jeff Sadino

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: The meeting was called to order at 1:30 p.m., at which time quorum was established.

Old Business: There was renewed discussion about the handling and inclusion of unfinished items from prior meetings. Several members referenced outstanding requests and documentation discrepancies, but after review, it was generally agreed that nothing specific was currently

slated in this section of the agenda, and so officially, there was no old business to address at this meeting.

New Business

- a. Proposed Discussion Draft of Interim Report
The focus of new business was the consideration of a discussion draft for the task force's required interim report to the legislature. Chair Nerney introduced the draft, emphasizing its preliminary nature and soliciting input from all members. There was a wide-ranging discussion on systemic problems within current condominium dispute resolution structures in Hawaii, touching on lack of board transparency, high legal costs, and challenges faced by condo owners seeking fair treatment. Public testimony played a significant role, with multiple speakers sharing experiences that highlighted the urgency for reform. Consensus emerged to request the Legislative Auditor's assistance in conducting a comprehensive review, including best practices from other jurisdictions, an examination of state administrative structures (including RICO and the Real Estate Commission), and the effectiveness of mediation and alternative dispute resolution currently in use. There was also considerable dialogue about the scope, expectations, and past studies' impact.
- b. Proposed Discussion Draft of Bill to Amend Alternative Dispute Resolution Procedures. A second major topic was a proposed bill draft aimed at amending procedures for alternative dispute resolution (ADR) related to condominium governance. Members and attendees examined whether the draft adequately addressed issues such as ethical standards, effective mediation processes, and balancing power between unit owners and boards or management. The group discussed incentives for good-faith participation in mediation, concerns over the costs and fairness of arbitration and mediation and debated the appropriate qualifications for mediators and decision-makers. Several members and public participants voiced the need for stronger enforcement, consumer protection, transparency, and a more accessible dispute resolution system.

Ultimately, while the drafts provided by Chair Nerney served as useful focal points for discussion, participants agreed further revisions and broad input were necessary before any recommendations could be finalized. Members were encouraged to submit written comments and suggestions for both the interim report and the draft legislation before the next meeting.

Next Meeting: The task force recognized the need to convene once more before submitting the interim legislative report, given impending deadlines. Members agreed that all recommendations and agenda items for the next meeting should be submitted to Kyle Ladao in advance. The group discussed logistical challenges related to scheduling and location, especially to ensure public accessibility. It was agreed that the administrative team would follow up promptly to finalize the date, aiming for a meeting before December 27, 2023.

Adjournment: With no further business, the meeting was adjourned by the Chair at 4:25 p.m

Reviewed and approved by:

/s/ Philip Nerney

(Mr.) Philip Nerney
Task Force Chairman

Taken and recorded by:

/s/ Kyle-Lee Ladao

(Mr.) Kyle-Lee Ladao
Administrative Assistant

KNL
12/14/2023

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