

Honolulu, Hawaii

MAR 15 , 2024

RE: S.B. No. 2404
S.D. 1
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2404, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to remove from the standard condominium proxy form the option of giving a proxy vote to the board of directors of a condominium association as a whole.

Your Committee received testimony in support of this measure from the Palehua Townhouse Association; Kokua Council; and eight individuals. Your Committee received testimony in opposition to this measure from the Community Associations Institute, Legislative Action Committee, Hawaii Chapter; Mariner's Village 1; Waiialae Place; The Continental Apartments; Law Offices of Mark K. McKellar, LLC; Hawaii First Realty, LLC; Honolulu Tower AOA; Chamber of Sustainable Commerce; Hawaii State Association of Parliamentarians; AOA Lakeview Sands; Pulelehua AOA; and numerous individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that under existing law, a proxy vote may be allocated to the board of directors of a condominium association as a whole. However, this existing practice may be



exploited to enable existing officers of the board to continue to sit on the board. This measure removes that option from the standard proxy form.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2404, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2404, S.D. 1, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,


MARK M. NAKASHIMA, Chair



