STAND. COM. REP. NO. 214 Honolulu, Hawaii Fed N, 2011 RE: H.B. No. 1464 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 1464 entitled:

"A BILL FOR AN ACT RELATING TO PLANNED COMMUNITY ASSOCIATIONS,"

begs leave to report as follows:

The purpose of this bill is to protect the rights of members belonging to planned community associations by promoting transparency and the open exchange of ideas by:

- Prohibiting the Board of Directors (Board) of planned community associations from harassing or intimidating its members;
- (2) Holding Board members jointly and severally liable for the loss of enjoyment of a member's real property, harassment and intimidation of a member, and breaching the duty of loyalty by benefiting financially from a Board decision or action; and
- (3) Requiring reasonable notice of scheduled meetings and pending decisions and actions of the Board.



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Many individuals testified in support of this measure. The Mililani Town Association, Princeville at Hanalei Community Association, Liolio Association of Apartment Owners, Consolidated Resorts Management, the Keauhou Kona Surf and Racquet Club, and numerous concerned individuals opposed this bill. The Hawaii Council of Associations of Apartment Owners, the Community Associations Institute - Hawaii Chapter, and several individuals provided comments.

Your Committee has amended this bill by:

- (1) Removing the language that holds Board members jointly and severally liable for certain violations under chapter 421J, Hawaii Revised Statutes;
- (2) Adding language that prohibits a Board member from financially benefiting from any decision made or action taken by the Board; and
- (3) Making technical, nonsubstantive changes for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1464, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1464, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

> Respectfully submitted on behalf of the members of the Committee on Housing,

RIDA T.R. CABANILLA, Chair



State of Hawaii House of Representatives The Twenty-sixth Legislature

Record of Votes of the Committee on Housing

Bill/Resolution No.: HB 1464 HSG CPC/JUD Date: 2-2-11				
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit) 				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. CABANILLA, Rida T.R. (C)	¥			
2. CHONG, Pono (VC)				
3. CARROLL, Mele				Þ
4. CHANG, Jerry L.	K			
5. COFFMAN, Denny	X			
6. HAR, Sharon E.	X			
7. HERKES, Robert N.	~			E
7. HERRES, Robert IV.				F
8. ITO, Ken	X			
9. MORITA, Hermina M.				X
10. NAKASHIMA, Mark M.	ĸ			
11. PINE, Kymberly Marcos	ų			
12. THIELEN, Cynthia	\$			
TOTAL (12)	<u>a</u>			3
The recommendation is: Adopted Not Adopted If joint referral,				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				