
A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 514B-121, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) Special meetings of the association may be called by
4 the president, a majority of the board, or by a petition to the
5 secretary or managing agent signed by not less than twenty-five
6 per cent of the unit owners as shown in the association's record
7 of ownership; provided that if the secretary or managing agent
8 fails to send out the notices for the special meeting within
9 fourteen days of receipt of the petition, the petitioners shall
10 have the authority to set the time, date, and place for the
11 special meeting and to send out the notices and proxies for the
12 special meeting at the association's expense in accordance with
13 the requirements of the bylaws and of this part; provided
14 further that a special meeting based upon a petition to the
15 secretary or managing agent shall be set no later than sixty
16 days from receipt of the petition[-] and shall allow for
17 adequate time during the meeting to address the concerns for
18 which the meeting was called. This subsection shall not impair



1 the right of the director or directors, who are the subject of a
2 motion to be removed, to have an adequate opportunity to be
3 heard. Other owners and proxyholders attending the meeting
4 shall also be entitled to speak but may be restricted by shorter
5 time limits provided by existing rules of the association or by
6 rules adopted by a majority of owners present at the meeting in
7 person or by proxy.

8 For purposes of this subsection, "adequate time" means no
9 less than the full amount of time permitted by Robert's Rules of
10 Order Newly Revised, for a maximum of three speakers for
11 petitioners and three speakers for the opposition, if any."

12 SECTION 2. Section 514B-123, Hawaii Revised Statutes, is
13 amended to read as follows:

14 **"§514B-123 Association meetings; voting; proxies. (a) If**
15 **only one of several owners of a unit is present at a meeting of**
16 **the association, that owner is entitled to cast all the votes**
17 **allocated to that unit. If more than one of the owners is**
18 **present, the votes allocated to that unit may be cast only in**
19 **accordance with the agreement of a majority in interest of the**
20 **owners, unless the declaration or bylaws expressly provide**
21 **otherwise. There is majority agreement if any one of the owners**
22 **casts the votes allocated to that unit without protest being**



1 made by any of the other owners of the unit to the person
2 presiding over the meeting before the polls are closed.

3 (b) Votes allocated to a unit may be cast pursuant to a
4 proxy duly executed by a unit owner. A unit owner may vote by
5 mail or electronic transmission through a duly executed proxy.

6 If a unit is owned by more than one person, each owner of the
7 unit may vote or register protest to the casting of votes by the
8 other owners of the unit through a duly executed proxy. In the
9 absence of protest, any owner may cast the votes allocated to
10 the unit by proxy. A unit owner may revoke a proxy given
11 pursuant to this section only by actual notice of revocation to
12 the secretary of the association or the managing agent. A proxy
13 is void if it purports to be revocable without notice.

14 (c) No votes allocated to a unit owned by the association
15 may be cast for the election or reelection of directors.

16 (d) A proxy, to be valid, shall:

17 (1) Be delivered to the secretary of the association or
18 the managing agent, if any, no later than 4:30 p.m. on
19 the second business day prior to the date of the
20 meeting to which it pertains;

21 (2) Contain at least the name of the association, the date
22 of the meeting of the association, the printed names



1 and signatures of the persons giving the proxy, the
2 unit numbers for which the proxy is given, the names
3 of persons to whom the proxy is given, and the date
4 that the proxy is given; and

5 (3) If it is a standard proxy form authorized by the
6 association, contain boxes wherein the owner has
7 indicated that the proxy is given:

8 (A) For quorum purposes only;

9 (B) To the individual whose name is printed on a line
10 next to this box;

11 (C) To the board as a whole and that the vote is to
12 be made on the basis of the preference of the
13 majority of the directors present at the meeting;
14 or

15 (D) To those directors present at the meeting with
16 the vote to be shared with each director
17 receiving an equal percentage.

18 The proxy form shall also contain a box wherein the
19 owner may indicate that the owner wishes to obtain a
20 copy of the annual audit report required by section
21 514B-150.



1 (e) A proxy shall only be valid for the meeting to which
2 the proxy pertains and its adjournments, may designate any
3 person as proxy, and may be limited as the unit owner desires
4 and indicates; provided that no proxy shall be irrevocable
5 unless coupled with a financial interest in the unit.

6 (f) A copy, facsimile telecommunication, or other reliable
7 reproduction of a proxy may be used in lieu of the original
8 proxy for any and all purposes for which the original proxy
9 could be used; provided that any copy, facsimile
10 telecommunication, or other reproduction shall be a complete
11 reproduction of the entire original proxy.

12 (g) Nothing in this section shall affect the holder of any
13 proxy under a first mortgage of record encumbering a unit or
14 under an agreement of sale affecting a unit.

15 (h) With respect to the use of association funds to
16 distribute proxies:

17 (1) Any board that intends to use association funds to
18 distribute proxies, including the standard proxy form
19 referred to in subsection (d)(3), shall first post
20 notice of its intent to distribute proxies in
21 prominent locations within the project at least
22 twenty-one days before its distribution of proxies.



1 If the board receives within seven days of the posted
2 notice a request by any owner for use of association
3 funds to solicit proxies accompanied by a statement,
4 the board shall mail to all owners either:

5 (A) A proxy form containing the names of all owners
6 who have requested the use of association funds
7 for soliciting proxies accompanied by their
8 statements; or

9 (B) A proxy form containing no names, but accompanied
10 by a list of names of all owners who have
11 requested the use of association funds for
12 soliciting proxies and their statements.

13 The statement, which shall be limited to black text on
14 white paper, shall not exceed one single-sided
15 8-1/2" x 11" page, indicating the owner's
16 qualifications to serve on the board or reasons for
17 wanting to receive proxies; and

18 (2) A board or member of the board may use association
19 funds to solicit proxies as part of the distribution
20 of proxies. If a member of the board, as an
21 individual, seeks to solicit proxies using association



1 funds, the board member shall proceed as a unit owner
2 under paragraph (1).

3 (i) No managing agent or resident manager, or their
4 employees, shall solicit, for use by the managing agent or
5 resident manager, any proxies from any unit owner of the
6 association that retains the managing agent or employs the
7 resident manager, nor shall the managing agent or resident
8 manager cast any proxy vote at any association meeting except
9 for the purpose of establishing a quorum.

10 (j) No board shall adopt any rule prohibiting the
11 solicitation of proxies or distribution of materials relating to
12 association matters on the common elements by unit owners;
13 provided that a board may adopt rules regulating reasonable
14 time, place, and manner of the solicitations or distributions,
15 or both.

16 (k) No association shall adopt any rules regarding
17 association meetings that would otherwise require a vote of a
18 majority of the quorum to change, except as provided in the
19 bylaws of the association or by Robert's Rules of Order Newly
20 Revised."

21 SECTION 3. Statutory material to be repealed is bracketed
22 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect upon its approval.



Report Title:

Condominiums; Association Meetings

Description:

Requires that petitioners have adequate time to address concerns at a requested special association meeting. Prohibits an association from adopting any rule for association meetings that would otherwise require a majority of the quorum vote to change, with certain exceptions. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

