

Honolulu, Hawaii

April 26, 2017

RE: H.B. No. 832
H.D. 1
S.D. 1
C.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 832, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Clarify that a violation of the records, mediation, and arbitration requirements of sections 514B-154, 514B-161, and 514B-162, Hawaii Revised Statutes, by a condominium board of directors or its officers or members is a violation of fiduciary duty, but provides a safe harbor provision for a board member who votes for compliance or rescinds or withdraws the violating conduct;
- (2) Balance the right of association members to speak and participate in deliberations and discussions of a board,



while ensuring that a board is able to complete its agenda in a timely manner;

- (3) Require the notice for board meetings to include a list of items expected to be on the meeting agenda; and
- (4) Require unapproved final drafts of the minutes of a board meeting to be available within 14 days after the meeting.

Your Committee on Conference has amended this measure by:

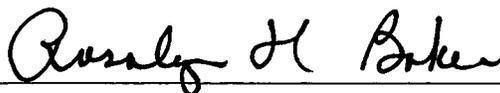
- (1) Stipulating that a violation of the mediation and arbitration requirements of sections 514B-161 and 514B-162, Hawaii Revised Statutes, by a condominium board of directors or its officers or members may constitute a violation of fiduciary duty;
- (2) Lengthening the timeframe within which unapproved final drafts of the minutes of a board meeting shall be made available from 14 to 30 days after the meeting;
- (3) Changing its effective date to July 1, 2017; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 832, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 832, H.D. 1, S.D. 1, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE



ROSALYN H. BAKER
Chair



ROY M. TAKUMI
Chair



