From:	mailinglist@capitol.hawaii.gov
Sent:	Saturday, March 11, 2017 12:53 AM
To:	IACtestimony
Cc:	steveghi@gmail.com
Subject:	Submitted testimony for SB392 on Mar 15, 2017 09:00AM

<u>SB392</u>

Submitted on: 3/11/2017 Testimony for IAC on Mar 15, 2017 09:00AM in Conference Room 429

Submitted By	Organization	Testifier Position	Present at Hearing
Steve Glanstein	Hawaii State Association of Parliamentarians	Support	No

Comments: This bill clarifies that the selection of multiple proxy check boxes or no check boxes makes the proxy into a quorum only proxy. It also clarifies the audit requirement. Please pass this bill as is.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

From:	mailinglist@capitol.hawaii.gov
Sent:	Sunday, March 12, 2017 4:32 PM
To:	IACtestimony
Cc:	richard.emery@associa.us
Subject:	*Submitted testimony for SB392 on Mar 15, 2017 09:00AM*

<u>SB392</u>

Submitted on: 3/12/2017 Testimony for IAC on Mar 15, 2017 09:00AM in Conference Room 429

Submitted By	Organization	Testifier Position	Present at Hearing
Richard Emery	Associa	Support	No

Comments:

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From:	mailinglist@capitol.hawaii.gov
Sent:	Monday, March 13, 2017 8:02 AM
To:	IACtestimony
Cc:	lila.mower@gmail.com
Subject:	Submitted testimony for SB392 on Mar 15, 2017 09:00AM

<u>SB392</u>

Submitted on: 3/13/2017 Testimony for IAC on Mar 15, 2017 09:00AM in Conference Room 429

Submitted By	Organization	Testifier Position	Present at Hearing	
Lila Mower	Hui `Oia`i`o	Support	No	

Comments: This bill is preferred rather than HB239 HD2. Many studies document that the primacy of position gives preference to the first choice. Thus, please add that the standard association authorized proxy form should enumerate the four choices in the same order as listed in HRS514B-123(3):(A) For quorum purposes only; (B) To the individual whose name is printed on a line next to this box; (C) To the board as a whole and that the vote is to be made on the basis of the preference of the majority of the directors present at the meeting; or (D) To those directors present at the meeting with the vote to be shared with each director receiving an equal percentage. Most association authorized proxies currently list the four choices in the reverse order, giving preference of proxy assignment to directors. Mahalo.

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From:	mailinglist@capitol.hawaii.gov
Sent:	Tuesday, March 14, 2017 9:02 AM
To:	IACtestimony
Cc:	jsugimura@bendetfidell.com
Subject:	*Submitted testimony for SB392 on Mar 15, 2017 09:00AM*

<u>SB392</u>

Submitted on: 3/14/2017 Testimony for IAC on Mar 15, 2017 09:00AM in Conference Room 429

Submitted By	Organization	Testifier Position	Present at Hearing
Jane Sugimura	HI Council of Assoc. of Apt. Owners a	Support	No

Comments:

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From:	mailinglist@capitol.hawaii.gov
Sent:	Saturday, March 11, 2017 1:27 PM
То:	IACtestimony
Cc:	aanderson@alf-hawaii.com
Subject:	Submitted testimony for SB392 on Mar 15, 2017 09:00AM

<u>SB392</u>

Submitted on: 3/11/2017 Testimony for IAC on Mar 15, 2017 09:00AM in Conference Room 429

Submitted By	Organization	Testifier Position	Present at Hearing
Anne Anderson	Individual	Support	No

Comments: This bill clarifies that if no box or more than one box is checked on a proxy, exclusive of the audit box, it shall be used for quorum purposes only. Please pass this bill as is. Sincerely, Anne Anderson

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Chair Ohno, Vice Chair Choy, and Members of the Committees,

I am offering comments on this bill. This bill presents a worthwhile opportunity to combat one of the major problems in condominiums, owner apathy.

More specifically, this bill would be far more effective if it ALSO deleted the box that allows an owner to <u>intentionally</u> give the proxy for quorum only, as shown below. One of the biggest problems for condominiums is owner apathy – that many owners simply don't care and don't even bother to become involved in their condominium's governance and operation. Allowing the owners the option to intentionally give a proxy for quorum only completely undermines any effort to encourage owners to become involved on the issues that face their association. The lack of involvement by a majority of the owners, in turn, leads to some of the problems presented to the legislators year after year.

Moreover, allowing owners to intentionally give quorum only proxies often undermines the ability of those who do attend annual meetings to get anything done. Frequently, the minimum vote at an association meeting is a majority of all the owners – rather than just a majority of those present at the meeting – even for the election of directors. As a result, annual meetings are sometimes called to order and then can accomplish very little because 10% or 15% of the owners have intentionally given their proxies for quorum only. This means that the members present at the meeting cannot achieve the necessary 50.1% of all the owners to get anything done.

Therefore, making the change proposed by this bill and eliminating the ability of an owner to *intentionally* give a quorum only proxy would be far more effective.

"(*d*) A proxy, to be valid, shall:

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

(2) Contain at least the name of the association, the date of the meeting of the association, the printed names and signatures of the persons giving the proxy, the unit numbers for which the proxy is given, the names of persons to whom the proxy is given, and the date that the proxy is given; [and]

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

(A) For quorum purposes only;

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

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

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

The proxy form shall also contain a box wherein the owner may indicate that the owner wishes to obtain a copy of the annual audit report required by section 514B150[.-]; and (4) If it is a standard proxy form authorized by the association and is returned with no box checked or more than one box checked, be deemed defective and be counted for quorum purposes only."

Thank you for this opportunity to testify.

From:	mailinglist@capitol.hawaii.gov
Sent:	Sunday, March 12, 2017 10:08 PM
To:	IACtestimony
Cc:	mkhan@hawaiiantel.net
Subject:	Submitted testimony for SB392 on Mar 15, 2017 09:00AM

<u>SB392</u>

Submitted on: 3/12/2017 Testimony for IAC on Mar 15, 2017 09:00AM in Conference Room 429

Submitted By	Organization	Testifier Position	Present at Hearing	
Marilyn Khan	Individual	Support	No	

Comments: I fully support this bill over HB239HD2 because it preserves the right of homeowners to develop and use their own proxy form that complies with HRS514B-123(d)(1) and (2), separate from a standard proxy form authorized by the association. The bill also satisfies its intended purpose, that is, to clarify that if a proxy is a standard proxy form authorized by an association and the proxy form is returned with no box checked or more than one box checked, the proxy shall be counted for quorum purposes only. Respectfully, Marilyn L. Khan, condominium apartment homeowner

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From:	mailinglist@capitol.hawaii.gov
Sent:	Monday, March 13, 2017 8:19 PM
To:	IACtestimony
Cc:	sawonglaw@hawaii.rr.com
Subject:	*Submitted testimony for SB392 on Mar 15, 2017 09:00AM*

<u>SB392</u>

Submitted on: 3/13/2017 Testimony for IAC on Mar 15, 2017 09:00AM in Conference Room 429

Submitted By	Organization	Testifier Position	Present at Hearing	
Sandie Wong	Individual	Support	No	

Comments:

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