

JAN 22 2021

A BILL FOR AN ACT

RELATING TO ASSOCIATION GOVERNANCE.

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

1 SECTION 1. Chapter 421I, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§421I- Notice required; regular annual and special
5 meetings. (a) Not less than fourteen days in advance of any
6 regular annual meeting or special meeting of a corporation, the
7 secretary or other officer specified in the bylaws shall give
8 written notice of the meeting to each shareholder of the
9 corporation as provided in the bylaws of the corporation or by
10 two or more of the following means:

- 11 (1) Hand delivery;
12 (2) United States mail sent to the mailing address of each
13 shareholder or to another mailing address designated
14 in writing by the shareholder;
15 (3) Electronic mail to the electronic mailing address
16 designated in writing by the shareholder; or



1 (4) Posting of the meeting notice in its entirety on a
2 portion of the corporation's website that is
3 accessible to all shareholders.

4 (b) Notice pursuant to this section shall state:

5 (1) The date, time, and place of the meeting; and

6 (2) The items on the agenda, including the general nature

7 of and rationale for any proposed amendment to the

8 declaration or bylaws; any proposal for a special

9 assessment, unless the authority for a special

10 assessment is otherwise provided for in the

11 corporation's governing documents; and any proposal to

12 remove a member of the board.

13 (c) The requirements of this section shall not be

14 interpreted to preclude any shareholder from proposing an

15 amendment to the declaration or bylaws or proposing to remove a

16 member of the board at an annual meeting of the corporation.

17 (d) The requirements of this section shall not be

18 interpreted to apply to any board meetings or committee meetings

19 of a corporation.

20 (e) In the event of a pandemic or other similar unforeseen

21 circumstance that prevents shareholders from physically



1 gathering for an annual meeting, the corporation may hold an
2 annual meeting remotely by video conferencing whereby the board
3 of directors and any shareholder who wishes to participate in
4 that meeting can communicate with each other."

5 SECTION 2. Section 421I-5, Hawaii Revised Statutes, is
6 amended by amending subsection (a) to read as follows:

7 "(a) All meetings of the board of directors, other than
8 executive sessions, shall be open to all shareholders, and the
9 shareholders may participate in any deliberation or discussion
10 [~~unless a majority of a quorum of the board of directors votes~~
11 ~~otherwise~~]. The board of directors may adopt reasonable
12 restrictions on shareholder participation."

13 SECTION 3. Section 421J-3.5, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "[~~+~~]**§421J-3.5 Notice required; regular annual and special**
16 **meetings.** [~~+~~] (a) Not less than fourteen days in advance of any
17 regular annual meeting or special meeting of an association, the
18 secretary or other officer specified in the bylaws shall give
19 written notice of the meeting to each member of the association
20 as provided in the bylaws of the association or by two or more
21 of the following means:



- 1 (1) Hand delivery;
- 2 (2) United States mail sent to the mailing address of each
- 3 unit or to another mailing address designated in
- 4 writing by the association member;
- 5 (3) Electronic mail to the electronic mailing address
- 6 designated in writing by the association member; or
- 7 (4) Posting of the meeting notice in its entirety on a
- 8 portion of the association's website that is
- 9 accessible to all members.
- 10 (b) Notice pursuant to this section shall state:
- 11 (1) The date, time, and place of the meeting; and
- 12 (2) The items on the agenda, including the general nature
- 13 of and rationale for any proposed amendment to the
- 14 declaration or bylaws; any proposal for a special
- 15 assessment, unless the authority for a special
- 16 assessment is otherwise provided for in the
- 17 association's governing documents; and any proposal to
- 18 remove a member of the board.
- 19 (c) The requirements of this section shall not be
- 20 interpreted to preclude any association member from proposing an



1 amendment to the declaration or bylaws or proposing to remove a
2 member of the board at an association meeting.

3 (d) The requirements of this section shall not be
4 interpreted to apply to any board meetings or committee meetings
5 of a planned community association.

6 (e) In the event of a pandemic or other similar unforeseen
7 circumstance that prevents members from physically gathering for
8 an annual meeting, the association may hold an annual meeting
9 remotely by video conferencing whereby the board of directors
10 and any member who wishes to participate in that meeting can
11 communicate with each other."

12 SECTION 4. Section 514B-121, Hawaii Revised Statutes, is
13 amended by amending subsection (a) to read as follows:

14 "(a) A meeting of the association shall be held at least
15 once each year[-]; provided that in the event of a pandemic or
16 other similar unforeseen circumstance that prevents unit owners
17 from physically gathering for a meeting, the association may
18 hold a meeting remotely by video conferencing whereby the board
19 and any unit owner who wishes to participate in that meeting can
20 communicate with each other."



1 SECTION 5. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 6. This Act shall take effect upon its approval.

4
INTRODUCED BY: *Dumaine*



S.B. NO. 784

Report Title:

Association Meetings; Election of Board Members; Cooperative Housing Corporations; Planned Community Associations; Condominium Associations; Videoconferencing; Pandemic

Description:

Specifies notice requirements for a regular annual or special meeting of a cooperative housing corporation. Allows the annual meetings and election of board members of cooperative housing corporations, planned community associations, and condominium associations to be conducted by videoconferencing in the event of a pandemic or other similar unforeseen circumstance that prevents owners from physically gathering for a meeting.

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

