

STAND. COM. REP. NO.

743

Honolulu, Hawaii

MAR 04 , 2021

RE: H.B. No. 221
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 221 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Eliminate the option on a standard proxy form for a condominium unit owner to submit a proxy to the condominium board as a whole; and
- (2) Prohibit managing agents, resident managers, or their employees, or condominium associations' employees from soliciting proxies from condominium unit owners.

Your Committee received testimony in support of this measure from the Hui 'Oia'i'o, Palehua Townhouse Association, and twelve individuals. Your Committee received testimony in opposition to this measure from the Hawai'i State Association of Parliamentarians Legislative Committee, Honolulu Tower Association of Apartment Owners, Community Associations Institute - Hawaii Legislative Action Committee, Associa, and seven individuals. Your Committee received comments on this measure from the Hawaii Council of Associations of Apartment Owners and one individual.

2021-2041 HB221 HD1 HSCR HMSO



Your Committee finds that proxies are an important part of the governance of a condominium association, including ensuring quorum for purposes of annual meetings. Proxies allow unit owners to participate in association matters in the event they are unable to be physically present at an association meeting.

Your Committee further finds, however, that some condominium owners have raised concerns that proxies may be used by board members in an unscrupulous manner. This measure is intended to help address these concerns.

Your Committee has amended this measure by:

- (1) Retaining statutory language that provides the option on a standard proxy form to submit a proxy to the condominium board as a whole;
- (2) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 221, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 221, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



AARON LING JOHANSON, Chair



