

STAND. COM. REP. NO.

624

Honolulu, Hawaii

FEB 17 , 2023

RE: H.B. No. 176
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 176
entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUM ASSOCIATIONS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Expand the Real Estate Commission's enforcement authority to include violations of requirements for condominium association meetings and board of director elections;
- (2) Require newly elected or appointed condominium association board members to certify in writing compliance with specified duties and obligations;
- (3) Clarify procedures for the use of electronic voting devices;
- (4) Eliminate proxy voting for condominium association unit owners;
- (5) Establish additional requirements and procedures for condominium association meetings and board of director

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elections, including notices of election, notices of intent to run, ballots, and runoff elections; and

- (6) Establish penalties for improper voting and forgery of ballot envelopes.

Your Committee received testimony in support of this measure from the Kokua Council and four individuals. Your Committee received testimony in opposition to this measure from the Honolulu Tower Association of Apartment Owners; Legislative Action Committee of the Community Associations Institute, Hawaii Chapter; Law Offices of Philip S. Nerney, LLC; Palehua Townhouse Association; Hawai'i State Association of Parliamentarians; Palms at Wailea; Hawaii Council of Associations of Apartment Owners; and fourteen individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Real Estate Commission, and two individuals.

Your Committee finds that this measure attempts to expand the existing condominium law by, among other things, establishing additional and new requirements for board members and eliminating the use of proxy voting for condominium association unit owners. However, your Committee believes that it may benefit the State and stakeholders more to first get a better understanding of the concerns, and possible solutions, relating to the existing condominium law to resolve any concerns that this measure attempts to address.

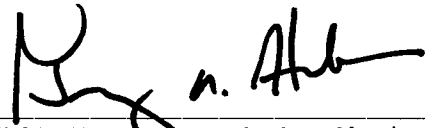
Accordingly, your Committee has amended this measure by deleting its contents and inserting language that:

- (1) Establishes the Condominium Voting and Elections Task Force, including its composition and responsibilities; and
- (2) Contains an effective date of June 30, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 176, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 176, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on
behalf of the members of the
Committee on Housing,



TROY N. HASHIMOTO, Chair



State of Hawaii
House of Representatives
The Thirty-second Legislature

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Record of Votes of the Committee on Housing

Bill/Resolution No.: HB 176	Committee Referral: HSG, CPC	Date: 2/15/23		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. HASHIMOTO, Troy N. (C)	✓			
2. AIU, Micah P.K. (VC)	✓			
3. KILA, Darius K.	✓			
4. KITAGAWA, Lisa	✓			
5. MARTEN, Lisa	✓			
6. ONISHI, Richard H.K.	✓			
7. TODD, Chris	✓			
8. MATSUMOTO, Lauren	✓			
TOTAL (8)	8			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small style="margin-left: 150px;">committee acronym(s)</small>				
Vice Chair's or designee's signature: Neil Aso				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				