

Honolulu, Hawaii
MAR 01 , 2024

RE: H.B. No. 2067
H.D. 2

Honorable Scott K. Saiki
Speaker; House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 2067, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Repeal from the standard condominium proxy form the option of giving a proxy vote to the board of directors of a condominium association as a whole or to directors present at the meeting; and
- (2) Require a disclosure statement on the standard condominium proxy form informing unit owners that an association may direct elections by electronic, machine, or mail voting.

Your Committee received testimony in support of this measure from the Chamber of Sustainable Commerce; District 25 Council of the Democratic Party of Hawai'i; Kokua Council; and numerous individuals. Your Committee received testimony in opposition to this measure from the Law Offices of Philip S. Nerney, LLC; Hawaii Council of Associations of Apartment Owners; Legislative Action Committee of the Community Associations Institute, Hawaii Chapter; Hawai'i State Association of Parliamentarians Legislative



Committee; Law Offices of Mark K. McKeller, LLC; Honokowai East Association of Apartment Owners; Association of Apartment Owners Lakeview Sands; Honolulu Tower Association of Apartment Owners; Hawaii First Realty LLC; Hale Kai O'Kihei Association of Apartment Owners; Hawaiian Properties, Ltd.; Hawaiiana Management Company, Ltd.; Makaha Surfside; and numerous individuals.

Your Committee finds that proxy voting unfairly benefits incumbent members on boards of directors of condominium associations who often use proxy votes to continue sitting on the board. This measure will improve the ability for condominium owners to hold elected board members accountable and ensure that board members are acting in alignment with their fiduciary duties by repealing the option to allocate a proxy vote to the board of directors as a whole or to directors present at the meeting.

Your Committee has amended this measure by 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 Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2067, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2067, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair



