

JAN 20 2023

A BILL FOR AN ACT

RELATING TO CONDOMINIUM PROXY VOTING.

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

1 SECTION 1. Section 514B-123, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsection (e) to read:

4 "(e) If a proxy is a standard proxy form authorized by the
5 association, the proxy shall comply with the following
6 additional requirements:

7 (1) The proxy shall contain boxes wherein the owner may
8 indicate that the proxy is given:

9 (A) For quorum purposes only;

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

12 ~~[(C) To the board as a whole and that the vote is to~~
13 ~~be made on the basis of the preference of the~~
14 ~~majority of the directors present at the~~
15 ~~meeting;]~~ or



1 ~~[(D)]~~ (C) To those directors present at the meeting
 2 with the vote to be shared with each director
 3 receiving an equal percentage;

4 provided that if the proxy is returned with no box or
 5 more than one of the boxes in subparagraphs (A)
 6 through ~~[(D)]~~ (C) checked, the proxy shall be counted
 7 for quorum purposes only; and

8 (2) The proxy form shall also contain a box wherein the
 9 owner may indicate that the owner wishes to obtain a
 10 copy of the annual audit report required by section
 11 514B-150."

12 2. By amending subsection (i) to read:

13 "(i) With respect to the use of association funds to
 14 distribute proxies:

15 (1) Any board that intends to use association funds to
 16 distribute proxies, including the standard proxy form
 17 referred to in subsection (e), shall first post notice
 18 of its intent to distribute proxies in prominent
 19 locations within the project at least twenty-one days
 20 before its distribution of proxies. If the board
 21 receives within seven days of the posted notice a



1 request by any owner for use of association funds to
2 solicit proxies accompanied by a statement, the board
3 shall mail to all owners either:

4 (A) A proxy form containing the names of all owners
5 who have requested the use of association funds
6 for soliciting proxies accompanied by their
7 statements; or

8 (B) A proxy form containing no names, but accompanied
9 by a list of names of all owners who have
10 requested the use of association funds for
11 soliciting proxies and their statements.

12 The statement, which shall be limited to black text on
13 white paper, shall not exceed one single-sided
14 8-1/2" x 11" page, indicating the owner's
15 qualifications to serve on the board or reasons for
16 wanting to receive proxies; and

17 (2) A [~~board or~~] member of the board may use association
18 funds to solicit proxies as part of the distribution
19 of proxies. If a member of the board[~~, as an~~
20 ~~individual,~~] seeks to solicit proxies using



S.B. NO. 584

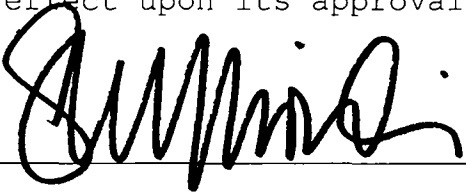
1 association funds, the board member shall proceed as a
2 unit owner under paragraph (1)."

3 SECTION 2. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

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

6

INTRODUCED BY:

 BR



S.B. NO. 584

Report Title:

Condominiums; Proxy Voting; Association Meetings; Condominium Boards

Description:

Removes 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. Removes the authority of a board to use association funds to solicit proxies as part of the distribution of proxies.

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

