STAND. COM. REP. NO. 13 -24

Honolulu, Hawaii

MAR 15 , 2024

RE: S.B. No. 2404

S.D. 1 H.D. 1

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2404, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to remove 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.

Your Committee received testimony in support of this measure from the Palehua Townhouse Association; Kokua Council; and eight individuals. Your Committee received testimony in opposition to this measure from the Community Associations Institute, Legislative Action Committee, Hawaii Chapter; Mariner's Village 1; Waialae Place; The Continental Apartments; Law Offices of Mark K. McKellar, LLLC; Hawaii First Realty, LLC; Honolulu Tower AOAO; Chamber of Sustainable Commerce; Hawaii State Association of Parliamentarians; AOAO Lakeview Sands; Pulelehua AOAO; and numerous individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that under existing law, a proxy vote may be allocated to the board of directors of a condominium association as a whole. However, this existing practice may be

2024-2323 SB2404 HD1 HSCR HMSO

exploited to enable existing officers of the board to continue to sit on the board. This measure removes that option from the standard proxy form.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) 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 S.B. No. 2404, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2404, S.D. 1, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

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

MARY M. NAKASHIMA, Chair

## State of Hawaii House of Representatives The Thirty-second Legislature H5ck 1131-24

## **Record of Votes of the Committee on Consumer Protection & Commerce**

Bill/Resolution No.: SB 2404 SD I	CPC, JHA	Date: 03-12-24		
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)				
2. SAYAMA, Jackson D. (VC)				
3. AMATO, Terez				
4. BELATTI, Della Au				
4. DELATTI, Dena Au				
5. HASHEM, Mark J.				
				u nagr
6. HUSSEY-BURDICK, Natalia	- Samuel - S			
Al line: 11% ib file: b				
7. GATES, Cedric Asuega				_
8. LOWEN, Nicole E.		1 5012 VCESDA 12 SIM MINE	99411191151555 - 1554 <b>1</b> 19	4F4 : 74/10 - 17/1000
				11.30 1.218.21
9. ONISHI, Richard H.K.				
10. TAM, Adrian K.				
11. PIERICK, Elijah				
· · · · · · · · · · · · · · · · · · ·				
TOTAL (11)	7			3
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				