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**From:** Antonette Port [portr001@hawaii.rr.com]  
**Sent:** Monday, February 01, 2010 10:30 PM  
**To:** HSGtestimony  
**Subject:** Testimony HB 2625

Rep. Rida Cabanilla, Chair  
Rep. Pono Chong, Vice Chair  
Committee on Housing

Hearing: Wednesday, February 3, 2010

Testimony: HB2625 Relating to Condominiums

Dear Representatives:

**This is to express strong opposition to the proposed change on page 2, section 3, lines 14 & 15 of HB 2625 Relating to Condominiums.** The current provision in HRS CPR 514B-106(b) was specifically included to require that all owners who are appointed to a Condominium Board of Directors must be candidates for election by owners at the next Annual Meeting on the Condominium Association. Otherwise, a Board of Directors can perpetuate itself by continually filling vacancies. In effect, this denies owners the right to representation and a voice in decisions affecting their investment.

One example will illustrate how this works. If this provision is approved, a Board Member who is coming up for election, but is considering stepping down and not running for re-election, is encouraged by the Board majority "to hang in there" until after the election and then step down. A month or two after his re-election, he resigns. This allows the Board majority to select someone to fill a term of almost three years before the owners ever have a chance to vote for or against that newly appointed member.

This is how Boards perpetuate themselves. Consistent with the existing statute, any appointed Board member should be required to be a candidate for re-election by the owners at the next Annual Association Meeting.

**I urge your committee to restore the original language in line 14 and not make the change proposed in lines 14 & 15 of HB 2625.**

Thank you for this opportunity to testify in opposition to the proposed change on page 2, section 3, lines 14 & 15 of HB2625.

Richard Port

## chong1-Aisha

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 02, 2010 1:38 PM  
**To:** HSGtestimony  
**Cc:** plahne@alf-hawaii.com  
**Subject:** Testimony for HB2625 on 2/3/2010 9:00:00 AM

Testimony for HSG 2/3/2010 9:00:00 AM HB2625

Conference room: 325  
Testifier position: support  
Testifier will be present: No  
Submitted by: Philip L. Lahne  
Organization: Community Associations Institute - Hawaii Chapter  
Address: P.O. Box 976 Honolulu, Hawaii 96808  
Phone: 536-8177  
E-mail: [plahne@alf-hawaii.com](mailto:plahne@alf-hawaii.com)  
Submitted on: 2/2/2010

**Comments:**

The Legislative Action Committee of the Community Associations Institute supports the intent of this bill but is concerned that Chapter 514A and many older condominium documents made a distinction between "majority of apartment owners" and "majority of the apartment owners" and that, therefore, this bill may have unintended adverse consequences on those condominiums. This distinction is retained in the present version of Section 514B-3, HRS. While the LAC supports passage of this bill as a whole, it urges the Committee to delete Section 1 of the bill.

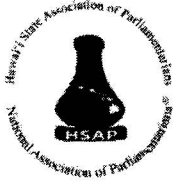
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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 02, 2010 12:10 AM  
**To:** HSGtestimony  
**Cc:** hsap.lc@gmail.com  
**Subject:** Testimony for HB2625 on 2/3/2010 9:00:00 AM  
**Attachments:** Letter\_Housing.pdf

Testimony for HSG 2/3/2010 9:00:00 AM HB2625

Conference room: 325  
Testifier position: support  
Testifier will be present: Yes  
Submitted by: Steve Glanstein  
Organization: HSAP-Legislative Committee  
Address: P. O. Box 29213 Honolulu, HI 96820-1613  
Phone: 423-6766  
E-mail: [hsap.lc@gmail.com](mailto:hsap.lc@gmail.com)  
Submitted on: 2/2/2010

Comments:  
Testimony is also being sent via e-mail to ensure timely delivery.



**HAWAII STATE ASSOCIATION OF PARLIAMENTARIANS  
LEGISLATIVE COMMITTEE  
P. O. Box 29213  
HONOLULU, HAWAII 96820-1613  
E-MAIL: [HSAP.LC@GMAIL.COM](mailto:HSAP.LC@GMAIL.COM)**

February 1, 2010

Rep. Rida Cabanilla, Chair  
Rep. Pono Chong, Vice Chair  
House Committee on Housing  
Hawaii State Capitol, Room 404  
415 South Beretania Street  
Honolulu, HI 96813

**RE: HB2625; Testimony in FAVOR; Hearing Date: 2/3/2010 9:00 a.m.;**  
**Sent via web and e-mail ([HSGtestimony@capitol.hawaii.gov](mailto:HSGtestimony@capitol.hawaii.gov))**

Dear Chair Cabanilla, Vice-Chair Chong, and Members of the Committee:

The Hawaii State Association of Parliamentarians ("HSAP") has been providing professional parliamentary expertise to Hawaii for more than 40 years. I am the chair of the Legislative Committee. I'm also an experienced Professional Registered Parliamentarian who has have worked with condominium and community associations every year since I began my practice in 1983 (over 1,200 in 26 years). I was also a member of the Blue Ribbon Recodification Advisory Committee that presented the recodification of Chapter 514B to the legislature in 2006.

This testimony is provided as part of HSAP's effort to assist the community based upon our collective experiences with the bylaws and meetings of numerous condominiums, cooperatives, and planned community associations.

HB2625 contains 9 sections that propose to clarify various parts of Chapter 514B:

1. Section 1 corrects the use of the definition "majority of unit owners" to read "majority of the unit owners." The term "majority of unit owners" is not used anywhere in Chapter 514B.
2. Sections 2, 5, 6, 7, 8, and 9 correct various uses of "majority of owners" to exactly match the definition in section 1 and clarify the percentage required for adoption of various association actions.
3. Section 3 clarifies that the removal and replacement of directors is a true "majority of the unit owners." It clarifies that votes cannot be stacked up or accumulated to remove or replace directors. It also clarifies that the filling of vacancies by the board shall be until the next annual or special meeting unless otherwise specified

in the association bylaws. This has resulted in different legal opinions and impacted many associations' bylaws and their operations.

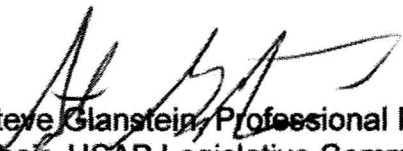
4. Section 4 clarifies that the **board** meeting minutes shall reflect in detail the items and amounts of various reimbursements to directors.

We request that the committee approve this bill.

Our committee looks forward to any discussions of this proposal or improvements to clarify any part of Chapter 514B.

I may be contacted via phone: 423-6766 or by e-mail: [hsap.lc@gmail.com](mailto:hsap.lc@gmail.com). Thank you for the opportunity to present this testimony.

Sincerely,



Steve Glanstein, Professional Registered Parliamentarian  
Chair, HSAP Legislative Committee

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 02, 2010 12:47 PM  
**To:** HSGtestimony  
**Cc:** steveghi@gmail.com  
**Subject:** Testimony for HB2625 on 2/3/2010 9:00:00 AM  
**Attachments:** Letter\_MIC.pdf

Testimony for HSG 2/3/2010 9:00:00 AM HB2625

Conference room: 325  
Testifier position:  
Testifier will be present: Yes  
Submitted by: Steve Glanstein  
Organization: Management Information Consultants  
Address: P. O. Box 29213 Honolulu, HI 96820-1613  
Phone: 423-6766  
E-mail: [steveghi@gmail.com](mailto:steveghi@gmail.com)  
Submitted on: 2/2/2010

Comments:  
Additional testimony for this bill.

# Management Information Consultants

February 2, 2010

Rep. Rida Cabanilla, Chair  
Rep. Pono Chong, Vice Chair  
House Committee on Housing  
Hawaii State Capitol, Room 404  
415 South Beretania Street  
Honolulu, HI 96813

**RE: HB2625; Testimony in FAVOR; Hearing Date: 2/3/2010 9:00 a.m.;**  
**Sent via web.**

Dear Chair Cabanilla, Vice-Chair Chong, and Members of the Committee:

This testimony is provided through my company and in my capacity as an experienced professional registered parliamentarian for numerous condominium association clients.

I support this bill and request that you pass it out of committee as presented.

I would direct your attention to two specific parts of the bill.

- A. Section 3, paragraph 1 clarifies §514B-106(b) to provide that the filling of vacancies by a condominium board shall be until the next annual or special meeting unless otherwise specified in the association bylaws. The existing statute has resulted in different legal opinions and impacted many associations' bylaws and their operations.

One opinion, from Mr. Gordon Arakaki, a well-known founder of the Condominium Recodification found that §514B-106(b) was not meant to override existing association bylaws.

Another opinion, from Mr. Milton Motooka, a well-known condominium lawyer found that §514B-106(b) may override the bylaws.

A list of over 95 of our association clients whose bylaws are directly impacted has been attached to this letter.

There is already a court case regarding one of our association clients on the interpretation of the existing statute.

B. Section 3, paragraph 2 clarifies that the removal and replacement of directors is a true "majority of the unit owners."

It clarifies that votes cannot be stacked or accumulated in a recall and subsequent replacement election of the board of directors of a condominium.

There is already a court case regarding one of our association clients on the interpretation of the existing statute.

I request that the committee approve this bill as presented.

I look forward to additional discussions of this proposal or improvements to continue to clarify any part of Chapter 514B.

I may be contacted via phone: 423-6766 or by e-mail: [steveghi@gmail.com](mailto:steveghi@gmail.com).  
Thank you for the opportunity to present this testimony.

Sincerely,



Steve Glanstein, Professional Registered Parliamentarian  
President

SG:tbs/  
Attachment



**List of Several Associations Impacted by 514B-106(b)**

| <b>Major Differences</b>                 | <b>Bylaws</b>             | <b>Senator</b> | <b>Representative</b> |
|--|---------------------------|----------------|-----------------------|
| Ala Moana Hotel Condominium              | Paragraph 3.6             | 12-Galuteria   | 23-Brower             |
| Alexander Arms                           | Article 3, §9             | 10-Ige         | 24-Choy               |
| Alii Lani                                | Paragraph 3.6             | 3-Green        | 6-Coffman             |
| Hilo Lagoon Centre                       | Article 2, §4             | 1-Takamine     | 2-Chang               |
| Atkinson Towers                          | Paragraph C-6             | 12-Galuteria   | 23-Brower             |
| Canterbury Place                         | Article 3, §6 (rt&a)      | 12-Galuteria   | 23-Brower             |
| Capitol Place                            | Paragraph 4.8B            | 12-Galuteria   | 28-Rhoads             |
| Colonnade on the Greens                  | Article 2, §4             | 16-Ige         | 34-Takai              |
| Golf Villas                              | Article 3, §6(rt&a)       | 5-Baker        | 10-McKelvey           |
| Hokua                                    | Paragraph 4.8B            | 12-Galuteria   | 23-Brower             |
| Honua Kai                                | Paragraph 3.6             | 5-Baker        | 10-McKelvey           |
| Ilikai                                   | Article 3, §6 (temp okay) | 12-Galuteria   | 23-Brower             |
| Imperial Hawaii                          | Article 3, §9             | 12-Galuteria   | 23-Brower             |
| Island Colony                            | Article 3, §8             | 12-Galuteria   | 23-Brower             |
| Kaanapali Royal                          | Article 3, §3             | 5-Baker        | 10-McKelvey           |
| Kaanapali Shores                         | Article 3, §6             | 5-Baker        | 10-McKelvey           |
| Kalanikai                                | Article 3, §6             | 3-Green        | 6-Coffman             |
| Kapalua Bay Villas                       | Article 3, §6             | 5-Baker        | 10-McKelvey           |
| Ke Nani Kai                              | Article 2, §4             | 6-English      | 13-Carroll            |
| Koko Isle                                | Article 2, §4             | 25-Hemmings    | 17-Ward               |
| Kolea Condo Villas                       | Paragraph C-6             | 3-Green        | 7-Evans               |
| Kona Mansions                            | Article 2, §4             | 3-Green        | 6-Coffman             |
| Koolani                                  | Paragraph 3.7 (s rt a)    | 12-Galuteria   | 23-Brower             |
| Kuilima Estates East                     | Article 3, §4             | 23-Hee         | 46-Magaoay            |
| La Casa (ROTNA)                          | Article 3, §6             | 12-Galuteria   | 23-Brower             |
| Montecito/Tuscany III                    | Article 3, §5 (rt&a)      | 20-Espero      | 43-Pine               |
| Papakea                                  | Article 2, §4             | 5-Baker        | 10-McKelvey           |
| Parkview                                 | Paragraph 7               | 12-Galuteria   | 23-Brower             |
| Royal Kahana                             | Article 3, §6             | 5-Baker        | 10-McKelvey           |
| Sunset Towers                            | Article 3, §4             | 12-Galuteria   | 23-Brower             |
| Waikiki Shores                           | Article 3, §4             | 12-Galuteria   | 23-Brower             |
| Wailuna                                  | Article 2, §4             | 16-Ige         | 34-Takai              |
| Waipouli                                 | Article 3, §6             | 7-Hooser       | 14-Morita             |
| Yacht Harbor Towers ( <b>See below</b> ) | Article 3, §7             | 12-Galuteria   | 23-Brower             |

34 Items

| <b>Minor Differences, e.g. A vs. S</b> | <b>Bylaws</b>               | <b>Senator</b>  | <b>Representative</b> |
|--|-----------------------------|-----------------|-----------------------|
| 1555 Pohaku                            | Article 2, §4               | 13-Chun-Oakland | 29-Manahan            |
| Aikahi Gardens                         | Paragraph 3.04              | 24-Tokuda       | 50-Thielen            |
| Cathedral Point                        | Article 2, §4               | 17-Kidani       | 39-Oshiro             |
| Century Square                         | Article 2, §4               | 12-Galuteria    | 28-Rhoads             |
| Cliffside Villages                     | Paragraph 2.7               | 17-Kidani       | 37-Yamane             |
| Clubview Gardens III                   | Paragraph 3.04              | 24-Tokuda       | 49-Chong              |
| Discovery Bay                          | Article 2, §4               | 12-Galuteria    | 23-Brower             |
| Fairway House                          | Article 2, §4               | 10-Ige          | 22-Saiki              |
| Five Regents                           | Article 2, §4               | 15-Sakamoto     | 31-Wakai              |
| Hale Ola                               | Article 4, §3               | 18-Nishihara    | 36-Takumi             |
| Harbor Terrace                         | Article 4, §5               | 16-Ige          | 34-Takai              |
| Hawaiki Tower                          | Article 3, §4               | 12-Galuteria    | 23-Brower             |
| Hawaiian King                          | Article 3, §3               | 12-Galuteria    | 23-Brower             |
| Hololani                               | Article 5, §4               | 5-Baker         | 10-McKelvey           |
| Honolulu Tower                         | Article 2, §4               | 12-Galuteria    | 28-Rhoads             |
| Honolulu Park Place                    | Article 3, §7 (to s, not a) | 12-Galuteria    | 28-Rhoads             |

**List of Several Associations Impacted by 514B-106(b)**

|                               |                         |              |                |
|-------------------------------|-------------------------|--------------|----------------|
| Imperial Plaza                | Article 3, §4           | 12-Galuteria | 23-Brower      |
| Kahala Beach                  | Article 2, §4           | 8-Slom       | 18-Berg        |
| Kai Lani                      | Article 3, §3           | 20-Espero    | 43-Pine        |
| AODO Kalani Iki               | Article 3, §4           | 8-Slom       | 19-Marumoto    |
| Kalamaku'u                    | Paragraph 3.6 (s or na) | 8-Slom       | 17-Ward        |
| Kamaole Sands                 | Article 3, §4 (changed) | 5-Baker      | 10-McKelvey    |
| Kapiolani Townhouse           | Paragraph 7             | 11-Fukunaga  | 28-Rhoads      |
| Kemoo by the Lake             | Article 2, §4           | 22-Bunda     | 39-Oshiro      |
| Keola Lai                     | Paragraph 4.18          | 12-Galuteria | 23-Brower      |
| Kona Plaza                    | Article 2, §4           | 3-Green      | 6-Coffman      |
| Kona Reef                     | Article 4, §4           | 3-Green      | 6-Coffman      |
| Kuhio Village                 | Article 4, §3           | 12-Galuteria | 23-Brower      |
| Kukui Plaza                   | Article 3, §4           | 12-Galuteria | 28-Rhoads      |
| Kulana Knolls                 | Article 3, §3           | 19-Gabbard   | 40-Har         |
| Lakeview Sands                | Article 2, §4           | 15-Sakamoto  | 31-Wakai       |
| Makaha Shores (Perm vs. term) | Article 4, §6(P vs T)   | 21-Hanabusa  | 45-Shimabukuro |
| Makaha Valley Plantation      | Article 3, §4           | 21-Hanabusa  | 45-Shimabukuro |
| Makaha Valley Towers          | Article 3, §5           | 21-Hanabusa  | 45-Shimabukuro |
| Makakilo Mala                 | Article 2, §4           | 19-Gabbard   | 40-Har         |
| Makikian                      | Article 4, §3 (Also T)  | 11-Fukunaga  | 25-Belatti     |
| Marco Polo                    | Article 5, §3 (Also T)  | 10-Taniguchi | 21-Nishimoto   |
| Maui Kamaole                  | Paragraph 3.4           | 5-Baker      | 10-McKelvey    |
| Moana Pacific                 | Paragraph 4.17          | 11-Fukunaga  | 28-Rhoads      |
| Maunaloa Shores               | Article 3, §6           | 1-Takamine   | 2-Chang        |
| Moorings                      | Article 2, §4           | 25-Hemmings  | 18-Berg        |
| Nahoa Apartments              | Article 3, §6           | 17-Kidani    | 37-Yamane      |
| Oahu Surf I                   | Article 3, §8           | 12-Galuteria | 23-Brower      |
| One Kalakaua                  | Article 2, §4           | 11-Fukunaga  | 25-Belatti     |
| One Waterfront Tower          | Article 3, §3           | 12-Galuteria | 23-Brower      |
| Opuia Hale Patio Homes        | Article 3, §6           | 22-Bunda     | 37-Yamane      |
| Pacific Village               | Article 2, §4           | 16-Ige       | 34-Takai       |
| Pakalana                      | Article 2, §4           | 11-Fukunaga  | 25-Belatti     |
| Palm Villas II                | Article 3, §7           | 20-Espero    | 43-Pine        |
| Pat's at Punaluu              | Article 4, §4           | 23-Hee       | 46-Magaoay     |
| Regency Ala Wai               | Article 3, §6           | 12-Galuteria | 23-Brower      |
| Regency Tower                 | Article 2, §4           | 10-Taniguchi | 22-Saiki       |
| Punahou Royale                | Article 2, §6           | 11-Fukunaga  | 25-Belatti     |
| Shores at Waikoloa            | Paragraph 3.3           | 3-Green      | 7-Evans        |
| Sugar Beach                   | Article 3, §6           | 5-Baker      | 10-McKelvey    |
| Valley Isle Resort            | Article 3, §6           | 5-Baker      | 10-McKelvey    |
| Villa on Eaton Square         | Article 2, §4           | 12-Galuteria | 23-Brower      |
| Village Maluhia               | Article 2, §4           | 11-Fukunaga  | 25-Belatti     |
| Waiau Gardena Kai "D"         | Article 2, §4           | 16-Ige       | 34-Takai       |
| Waikalani Woodlands           | Article 2, §4           | 22-Bunda     | 38-Lee         |
| Waikiki Banyan                | Article 2, §4           | 12-Galuteria | 23-Brower      |
| Waikiki Landmark              | Article 3, §3           | 12-Galuteria | 23-Brower      |
| Waikiki Townhouse             | Article 2, §4           | 12-Galuteria | 23-Brower      |

63 Items

**97 Items total both parts**

|  |  |  |  |
|--|--|--|--|
| Yacht Harbor Towers is a defendant in a Circuit Court case regarding this issue. |  |  |  |
| SP No. 10-1-0025   |  |  |  |
| Legislator e-mail/phone information redacted.                                    |  |  |  |