

STAND. COM. REP. NO.

214

Honolulu, Hawaii

Feb 11, 2011

RE: H.B. No. 1464  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 1464 entitled:

"A BILL FOR AN ACT RELATING TO PLANNED COMMUNITY ASSOCIATIONS,"

begs leave to report as follows:

The purpose of this bill is to protect the rights of members belonging to planned community associations by promoting transparency and the open exchange of ideas by:

- (1) Prohibiting the Board of Directors (Board) of planned community associations from harassing or intimidating its members;
- (2) Holding Board members jointly and severally liable for the loss of enjoyment of a member's real property, harassment and intimidation of a member, and breaching the duty of loyalty by benefiting financially from a Board decision or action; and
- (3) Requiring reasonable notice of scheduled meetings and pending decisions and actions of the Board.



214


Many individuals testified in support of this measure. The Mililani Town Association, Princeville at Hanalei Community Association, Liolio Association of Apartment Owners, Consolidated Resorts Management, the Keauhou Kona Surf and Racquet Club, and numerous concerned individuals opposed this bill. The Hawaii Council of Associations of Apartment Owners, the Community Associations Institute - Hawaii Chapter, and several individuals provided comments.

Your Committee has amended this bill by:

- (1) Removing the language that holds Board members jointly and severally liable for certain violations under chapter 421J, Hawaii Revised Statutes;
- (2) Adding language that prohibits a Board member from financially benefiting from any decision made or action taken by the Board; and
- (3) Making technical, nonsubstantive changes for consistency, clarity, and style.

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. 1464, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1464, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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



RIDA T.R. CABANILLA, Chair



