
A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

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

1 SECTION 1. Section 514B-121, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "B. GOVERNANCE - ELECTIONS AND MEETINGS

4 **§514B-121 Association meetings.** (a) A meeting of the
5 association shall be held at least once each year.

6 (b) Special meetings of the association may be called by
7 the president, a majority of the board, or by a petition to the
8 secretary or managing agent signed by not less than twenty-five
9 per cent of the unit owners as shown in the association's record
10 of ownership; provided that if the secretary or managing agent
11 fails to send out the notices for the special meeting within
12 fourteen days of receipt of the petition, the petitioners shall
13 have the authority to set the time, date, and place for the
14 special meeting and to send out the notices and proxies for the
15 special meeting at the association's expense in accordance with
16 the requirements of the bylaws and of this part; provided
17 further that a special meeting based upon a petition to the



1 secretary or managing agent shall be set no later than sixty
2 days from receipt of the petition.

3 (c) Not less than fourteen days in advance of any meeting,
4 the secretary or other officer specified in the bylaws shall
5 cause notice to be:

6 (1) Hand-delivered;

7 (2) Sent prepaid by United States mail to the mailing
8 address of each unit or to any other mailing address
9 designated in writing by the unit owner; or

10 (3) At the option of the unit owner, expressed in writing,
11 by electronic mail to the electronic mailing address
12 designated in writing by the unit owner.

13 The notice of any meeting must state the date, time, and place
14 of the meeting and the items on the agenda, including the
15 general nature and rationale of any proposed amendment to the
16 declaration or bylaws, and any proposal to remove a member of
17 the board; provided that this subsection shall not preclude any
18 unit owner from proposing an amendment to the declaration or
19 bylaws or to remove a member of the board at any annual
20 association meeting.

21 (d) All association meetings shall allow for adequate time
22 during a meeting to address concerns for which the meeting was



1 called. This subsection shall not impair the right of the
2 director or directors, who are the subject of a motion to be
3 removed, to have an adequate opportunity to be heard. Other
4 owners and proxyholders attending a meeting shall also be
5 entitled to speak as determined by a vote of a majority of
6 owners present at the meeting in person or by proxy.

7 For purposes of this subsection, "adequate time" means no
8 more than thirty minutes for the initial presentation of each
9 petitioner and of each respondent and, for any time necessary
10 thereafter, the time shall be as provided for by Robert's Rules
11 of Order Newly Revised; provided that there shall be a maximum
12 of three speakers for petitioners and three speakers for
13 respondents, if any.

14 [~~(d)~~] (e) All association meetings shall be conducted in
15 accordance with the most recent edition of Robert's Rules of
16 Order Newly Revised. If so provided in the declaration or
17 bylaws, meetings may be conducted by any means that allow
18 participation by all unit owners in any deliberation or
19 discussion.

20 [~~(e)~~] (f) All association meetings shall be held at the
21 address of the condominium or elsewhere within the State as
22 determined by the board; provided that in the event of a natural



1 disaster, such as a hurricane, an association meeting may be
2 held outside the State."

3 SECTION 2. Section 514B-123, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§514B-123 Association meetings; voting; proxies.** (a) If
6 only one of several owners of a unit is present at a meeting of
7 the association, that owner is entitled to cast all the votes
8 allocated to that unit. If more than one of the owners is
9 present, the votes allocated to that unit may be cast only in
10 accordance with the agreement of a majority in interest of the
11 owners, unless the declaration or bylaws expressly provide
12 otherwise. There is majority agreement if any one of the owners
13 casts the votes allocated to that unit without protest being
14 made by any of the other owners of the unit to the person
15 presiding over the meeting before the polls are closed.

16 (b) Votes allocated to a unit may be cast pursuant to a
17 proxy duly executed by a unit owner. A unit owner may vote by
18 mail or electronic transmission through a duly executed proxy.
19 If a unit is owned by more than one person, each owner of the
20 unit may vote or register protest to the casting of votes by the
21 other owners of the unit through a duly executed proxy. In the
22 absence of protest, any owner may cast the votes allocated to



1 the unit by proxy. A unit owner may revoke a proxy given
2 pursuant to this section only by actual notice of revocation to
3 the secretary of the association or the managing agent. A proxy
4 is void if it purports to be revocable without notice.

5 (c) No votes allocated to a unit owned by the association
6 may be cast for the election or reelection of directors.

7 (d) A proxy, to be valid, shall:

8 (1) Be delivered to the secretary of the association or
9 the managing agent, if any, no later than 4:30 p.m. on
10 the second business day prior to the date of the
11 meeting to which it pertains;

12 (2) Contain at least the name of the association, the date
13 of the meeting of the association, the printed names
14 and signatures of the persons giving the proxy, the
15 unit numbers for which the proxy is given, the names
16 of persons to whom the proxy is given, and the date
17 that the proxy is given; and

18 (3) If it is a standard proxy form authorized by the
19 association, contain boxes wherein the owner has
20 indicated that the proxy is given:

21 (A) For quorum purposes only;



- 1 (B) To the individual whose name is printed on a line
2 next to this box;
- 3 (C) To the board as a whole and that the vote is to be
4 made on the basis of the preference of the
5 majority of the directors present at the meeting;
6 or
- 7 (D) To those directors present at the meeting with the
8 vote to be shared with each director receiving an
9 equal percentage.

10 The proxy form shall also contain a box wherein the
11 owner may indicate that the owner wishes to obtain a
12 copy of the annual audit report required by section
13 514B-150.

14 (e) A proxy shall only be valid for the meeting to which
15 the proxy pertains and its adjournments, may designate any
16 person as proxy, and may be limited as the unit owner desires
17 and indicates; provided that no proxy shall be irrevocable
18 unless coupled with a financial interest in the unit.

19 (f) A copy, facsimile telecommunication, or other reliable
20 reproduction of a proxy may be used in lieu of the original
21 proxy for any and all purposes for which the original proxy
22 could be used; provided that any copy, facsimile



1 telecommunication, or other reproduction shall be a complete
2 reproduction of the entire original proxy.

3 (g) Nothing in this section shall affect the holder of any
4 proxy under a first mortgage of record encumbering a unit or
5 under an agreement of sale affecting a unit.

6 (h) With respect to the use of association funds to
7 distribute proxies:

8 (1) Any board that intends to use association funds to
9 distribute proxies, including the standard proxy form
10 referred to in subsection (d)(3), shall first post
11 notice of its intent to distribute proxies in
12 prominent locations within the project at least
13 twenty-one days before its distribution of proxies.

14 If the board receives within seven days of the posted
15 notice a request by any owner for use of association
16 funds to solicit proxies accompanied by a statement,
17 the board shall mail to all owners either:

18 (A) A proxy form containing the names of all owners
19 who have requested the use of association funds
20 for soliciting proxies accompanied by their
21 statements; or



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

5 The statement, which shall be limited to black text on
6 white paper, shall not exceed one single-sided
7 8-1/2" x 11" page, indicating the owner's
8 qualifications to serve on the board or reasons for
9 wanting to receive proxies; and

10 (2) A board or member of the board may use association
11 funds to solicit proxies as part of the distribution
12 of proxies. If a member of the board, as an
13 individual, seeks to solicit proxies using association
14 funds, the board member shall proceed as a unit owner
15 under paragraph (1).

16 (i) No managing agent or resident manager, or their
17 employees, shall solicit, for use by the managing agent or
18 resident manager, any proxies from any unit owner of the
19 association that retains the managing agent or employs the
20 resident manager, nor shall the managing agent or resident
21 manager cast any proxy vote at any association meeting except
22 for the purpose of establishing a quorum.



1 (j) No board shall adopt any rule prohibiting the
2 solicitation of proxies or distribution of materials relating to
3 association matters on the common elements by unit owners;
4 provided that a board may adopt rules regulating reasonable
5 time, place, and manner of the solicitations or distributions,
6 or both.

7 (k) No association shall adopt permanent standing or
8 permanent special meeting rules that limits or restricts
9 discussion or debate for any association meeting."

10 SECTION 3. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 4. This Act shall take effect upon its approval.



Report Title:

Condominiums; Association Meetings

Description:

Requires that petitioners have adequate time to address concerns at a requested special association meeting. Prohibits an association from adopting any permanent rule for association meetings that limits or restrict discussion or debate. (SB2465 HD1)

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

