

Honolulu, Hawaii

FEB 13 2013

RE: S.B. No. 507  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 507 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to create notice requirements for meetings of a planned community association or its board of directors.

Your Committee received testimony in opposition to this measure from Community Associations Institute Hawaii Chapter and four individuals.

Your Committee finds that this measure would impose a fourteen-day notice requirement for any meeting of an association or its board of directors. Your Committee has heard the concerns that the meeting requirements under this measure may set a higher standard for community associations than is currently imposed for condominium associations. Your Committee also understands that the board of directors and committees of a planned community association may need the flexibility to make decisions on an immediate basis for emergency operation matters or litigation-related issues.

Your Committee is sympathetic to these concerns but concludes that it is appropriate and reasonable for a planned community



association to provide notice to its members for specific association meetings.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that the notice requirement under this measure shall apply to regular annual meetings or special meetings of an association, rather than any meeting of an association or its board of directors;
- (2) Specifying that written notice shall also include any proposal for a special assessment, unless the authority for a special assessment is otherwise provided for in the association's governing documents;
- (3) Clarifying that the requirements of this measure shall not be interpreted to apply to any board meetings or committee meetings of a planned community association;
- (4) Updating the purpose section for clarity; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that this amended measure is the result of a compromise with interested stakeholders.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 507, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 507, S.D. 1, and be placed on the calendar for Third Reading.

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

  
ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 507	CPN	2/6/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
GALUTERIA, Brickwood (VC)	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama	✓			
TANIGUCHI, Brian T.	✓			
WAKAI, Glenn	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	<b>7</b>			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes