Honolulu, Hawaii

March 21

, 2014

RE: S.B. No. 3127 S.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 3127, 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 establish provisions for the failure of a condominium association to obtain a quorum at the first annual meeting of the association.

The measure also:

- (1) Authorizes the board of an association managed by a managing agent to employ and terminate a managing agent;
- (2) Authorizes the termination of a managing agent by a vote of a majority of the unit owners at an association meeting; and
- (3) Exempts certain projects that are subject to time sharing or similar arrangements from the provision in this measure relating to the employment and termination of a managing agent.

The Hawaii State Association of Parliamentarians, the Community Associations Institute, and one individual provided testimony in support of the measure. One individual provided testimony in opposition of the measure.

SB3127 SD1 HSCR LRB 14-2013.doc



Your Committee finds that a majority of unit owners currently has the power to remove and replace the board of directors of a condominium association at an association meeting. Therefore, it follows that a majority of unit owners should also have the authority to order the board to replace the managing agent. Your Committee believes that this measure will provide unit owners with a safety net if a majority of unit owners disagrees with the board's retention of a managing agent.

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. 3127, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

ANGUS L.K. McKELVEY, Chair

HSCK 1196-14

State of Hawaii House of Representatives The Twenty-seventh Legislature

Record of Votes of the Committee on Consumer Protection and Commerce

SB 3127, SD	i i	e Referral:	Dat	e: 3/19/14	
☐ 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. McKELVEY, Angus L.K. (C)					
2. KAWAKAMI, Derek S.K. (V	(C)				
3. BELATTI, Della Au					
4. BROWER, Tom	Market			1	·
5. CACHOLA, Romy M.					
6. CREAGAN, Richard	Sec. 1. 1. 1914 - 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.	Way transmission of the same	· · · · · · · · · · · · · · · · · · ·	Addigs at the promise and a sign of the same that	
7. EVANS, Cindy					
8. HAR, Sharon E.					
9. ITO, Ken 10. LEE, Chris					
11. NAKASHIMA, Mark M.	. 1748 T. T. 1848				
12. OSHIRO, Marcus R.	AMAKATI NEW YORK				
13. TSUJI, Clift					
14. YAMANE, Ryan I.					
15. MCDERMOTT, Bob		型影响效果形态 设			
16. THIELEN, Cynthia					
•					
	-				
TOTAL (16)		13			3
The recommendation is: Adopted					
If joint referral, did not support recommendation.					
Vice Chainle on July 1	(A)				
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					