

Honolulu, Hawaii  
February 12, 2016

RE: H.B. No. 1541  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1541 entitled:

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

begs leave to report as follows:

The purpose of this measure is to change the proxy statement requirements for planned community associations from a maximum length of one hundred words to a maximum length of one single-sided page.

The Hawaii State Association of Parliamentarians; Hawaii First, Inc.; Community Associations Legislative Action Committee; Palehua Townhouse Association; and several individuals testified in support of this measure.

Your Committee has amended this measure by:

- (1) Providing flexibility to homeowners who use their own proxy form, to match the requirements for unit-owners in condominium associations under section 514B-123(d)(3), Hawaii Revised Statutes (HRS);
- (2) Specifying that proxies that name the board of directors as an entity shall be decided based upon the majority of the directors present at the meeting, rather than all of the directors, to match the requirements for condominium associations permitted by section 514B-123(d)(3), HRS;



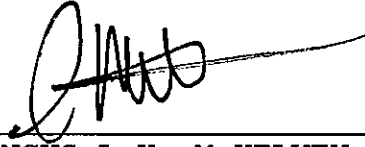
- (3) Clarifying that a board of directors that intends to use proxies must post notice and reducing the posting time to twenty-one days, to match the requirements for condominium associations permitted by section 514B-123(h)(1), HRS;
- (4) Clarifying that the statement of a homeowner requesting nomination to the board shall indicate the owner's qualifications or reason for requesting proxies to match similar flexibility as provided in section 514B-123(h)(1), HRS;
- (5) Prohibiting a managing agent, resident manager, or their employees from soliciting any proxies from any unit owner of the association that retains the managing agent or employs the resident manager and using them at an association meeting;
- (6) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes there was a discussion about the use of various font sizes in the statement indicating the owner's qualifications to serve on the board. Your Committee respectfully requests that your Committee on Judiciary further examine this issue.

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 H.B. No. 1541, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1541, H.D. 1, and be referred to your Committee on Judiciary.



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



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ANGUS L.K. MCKELVEY, Chair



