

STAND. COM. REP. NO.

1261

Honolulu, Hawaii

MAR 30 2017

RE: H.B. No. 192
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health, to which was referred H.B. No. 192, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HOMEOWNERS' ASSOCIATIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to expand the definition of "association" under the planned community association law to include certain homeowners' associations.

Your Committee received testimony in support of this measure from Associa.

Your Committee finds that certain subdivisions in the State may not fit into the existing definition of a planned community "association", as used in the laws regarding homeowners' associations. The homeowners' associations in these subdivisions are therefore unregulated and lack access to the cost-effective dispute resolution mechanisms provided for planned community associations. This measure expands the definition of "association" under the planned community association law, which will enable these subdivisions to be regulated and have access to existing mediation processes.

Your Committee further finds that existing law on voting pursuant to a proxy at a meeting of a planned community



association specifies that a standard proxy form must contain boxes for a member of the association to check and indicate how a proxy is given. Proxy forms may sometimes be returned to an association's secretary or managing agent with more than one box checked, or with nothing marked on the proxy form, which may lead to confusion over how the proxy should be counted. Your Committee concludes that amendments to this measure are necessary to clarify how such proxies should be counted.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that when a standard proxy form is authorized by an association, and the proxy is returned with no box or more than one box checked that relates to how an owner may indicate a proxy is given, the proxy shall be counted for quorum purposes only;
- (2) Updating the purpose section accordingly; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 192, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 192, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

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



ROSALYN H. BAKER, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 192, HD2	CPH	3/14/17		
<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)	/			
NISHIHARA, Clarence K. (VC)	/			
CHANG, Stanley	/			
ESPERO, Will	/			
IHARA, Jr., Les	/			
KIDANI, Michelle N.	/			
RUDERMAN, Russell E.				/
TOTAL	6			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center;"><i>Clarence K. Nishihara</i></div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes