

STAND. COM. REP. NO.

576

Honolulu, Hawaii

February 17, 2017

RE: H.B. No. 236

H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Intrastate Commerce, to which was referred  
H.B. No. 236 entitled:

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

begs leave to report as follows:

The purpose of this measure is to address excessive  
assessments imposed by the board of directors of a planned  
community association by:

- (1) Allowing portions of the common areas of a planned  
community association to be conveyed, subject to a  
security interest, or dedicated to the appropriate  
county or to the State, if at least eighty percent of  
the members of the association agree in writing to that  
action; and
- (2) Limiting the ability of the board of directors to impose  
excessive regular assessments or special assessments,  
except in emergency situations, without the approval of  
a majority of the members of an association.

Associa, Hawaii State Association of Parliamentarians,  
Mililani Town Association, American Resort Development Association  
of Hawaii, Hawaii Chapter of the Community Associations Institute

HB236 HD1 HSCR IAC HMS 2017-2328



Legislative Action Committee, and Hawaiian Properties opposed this measure. A concerned individual offered comments.

Your Committee has amended this measure by:

- (1) Removing the proposed language that allowed portions of the common areas of a planned community association to be conveyed, subject to a security interest, or dedicated to the appropriate county or to the State, if at least eighty per cent of the members of an association agreed in writing to that action;
- (2) Clarifying the method of calculating the threshold amount for regular assessment increases that triggers the requirement for approval by a majority of members present at an association meeting or by the written consent of the majority of members without a meeting;
- (3) Clarifying that approval by a majority of members present at an association meeting or by the written consent of the majority of members without a meeting is required for approval of an assessment;
- (4) Amending the definition of "emergency situation" to include extraordinary expenses required by federal, state, or local law;
- (5) Changing the effective date to July 1, 2099, to promote further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Intrastate Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 236, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 236, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on  
behalf of the members of the  
Committee on Intrastate  
Commerce,



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TAKASHI OHNO, Chair



