

STAND. COM. REP. NO.

788

Honolulu, Hawaii

March 2, 2017

RE: H.B. No. 832

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 Consumer Protection & Commerce, to which was referred H.B. No. 832 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to provide protections for the interests of condominium owners and allow for greater scrutiny of meetings of a condominium's board of directors by providing association members an opportunity to participate in all deliberations and discussions at a meeting of the board, including an executive session meeting with approval of the board.

The Hawaii Council of Associations of Apartment Owners dba Hawaii Council of Community Associations, Associa, Mauna Luan, and several concerned individuals testified in support of this measure. The Hawaii State Association of Parliamentarians and a concerned individual testified in opposition to this measure.

Your Committee notes that allowing condominium owners the opportunity to participate in deliberations and discussions at board meetings provides more openness and allows for greater scrutiny of a board's actions. Your Committee also notes the concerns raised at the public hearing that boards may place unreasonable time limits on discussion at board meetings, while association members may unreasonably take too much time in discussion at board meetings. Accordingly, your Committee finds that specifying a reasonable time restriction on an association

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member's opportunity to participate in deliberations and discussions at board meetings is appropriate and warranted.

Your Committee has amended this measure by:

- (1) Clarifying that the board may limit the time provided to any member of an association for participation in board meeting discussions to a reasonable time;
- (2) Changing its effective date to July 1, 2112, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and consistency.

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. 832, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 832, H.D. 1, and be placed on the calendar for Third Reading.

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



ANGUS L.K. MCKELVEY, Chair



