

STAND. COM. REP. NO. 983

Honolulu, Hawaii
March 2, 2017

RE: H.B. No. 243
H.D. 2

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. 243, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to protect condominium and condominium association members by clarifying which individuals qualify to be board members of a condominium association.

The Hawaii Council of Associations of Apartment Owners dba Hawaii Council of Community Associations, Hui 'Oia'i'o, and several individuals testified in support of this measure. Hawaii Chapter of the Community Associations Institute Legislative Action Committee, Hawaii State Association of Parliamentarians, and a concerned individual testified in opposition to this measure. Associa provided comments.

Your Committee recognizes that condominium associations provide a system of self-governance in which association residents, both owners and non-owners, or renters, can serve as board members, depending on the declaration, bylaws, or rules of the association. However, based on concerns raised in the public hearing, your Committee notes that allowing renters to serve on association boards through an association's declaration and bylaws



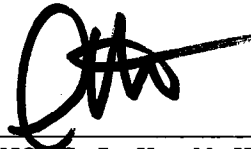
can have the unintended effect of developers creating permanent seats on an association board for renters or others who do not share the same stake in the property as owners do. Your Committee notes that repairs, maintenance, and additions to a property do not affect renters in the same way as owners.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language allowing the declaration and bylaws of an association to clarify which individuals qualify to be board members of an association and instead prohibiting renters from serving as board members; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 243, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 243, H.D. 2.

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



ANGUS L.K. MCKELVEY, Chair



