

STAND. COM. REP. NO.

1560

Honolulu, Hawaii

April 7

, 2017

RE: S.B. No. 627
S.D. 1
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 S.B. No. 627, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Clarify that any violation of a mandatory provision of the State's condominium law by a condominium board or its officers and members is a per se violation of the board's fiduciary duty, but provide a safe harbor from liability for a board member who votes against the action that constitutes a violation;
- (2) Authorize a condominium board to establish rules for owner participation in any deliberation or discussion at board meetings, other than executive sessions, and provides that all owners shall be notified of these rules;
- (3) Require the notice for condominium board meetings to include a list of business items expected to be on the meeting agenda; and



- (4) Require unapproved final drafts of the minutes of a condominium board meeting to be available within fourteen days after the board meeting.

Associa, Hui Malama O Hale, Hui 'Oia'i'o, and several individuals supported this measure. The Hawaii Council of Associations of Apartment Owners dba Hawaii Council of Community Associations supported the intent of this measure. An individual opposed this measure. Anderson Lahne & Fujisaki LLP, Royal Vista AOA, and many individuals provided comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2059, to encourage further discussion; 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 S.B. No. 627, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 627, S.D. 1, 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,



ROY M. TAKUMI, Chair



