

Honolulu, Hawaii

FEB 28, 2020

RE: H.B. No. 2562
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 2562, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO COMMON INTEREST COMMUNITIES,"

begs leave to report as follows:

The purpose of this measure is to clarify certain provisions relating to the governance of common interest communities in the State. Specifically, this measure:

- (1) For planned community associations:
 - (A) Specifies the manner in which a member of the board of directors may resign and may be removed;
 - (B) Specifies the time period for which the board of directors shall fill a vacancy; and
 - (C) Specifies that members of the planned community association possess the right to vote at an association meeting; and
- (2) For condominium associations, specifies the manner in which a member of the board of directors may resign.



Your Committee received testimony in support of this measure from the Hawaii Chapter of the Community Associations Institute Legislative Action Committee, Hawaii State Association of Parliamentarians Legislative Committee, Associa, and one individual. Your Committee received testimony in opposition to this measure from D.R. Horton Hawaii LLC, Case Lombardi & Pettit, and one individual. Your Committee received comments on this measure from the Hawaii Council of Community Associations and seven individuals.

Your Committee finds that existing law governing common interest communities requires clarification to avoid further disputes. This measure seeks to clarify and resolve several practical issues that have occurred in condominium and planned community association meetings.

Your Committee has amended this measure by:

- (1) Amending the manner in which a member of the board of directors for a planned community association or condominium association may resign;
- (2) Establishing notice and timing requirements for special association meetings to fill vacancies on the board of directors for planned community associations;
- (3) Deleting language that clarified the right to vote in planned community association matters;
- (4) Deleting language specifying the manner in which a member of the board of directors for a planned community association may be removed; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2562, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2562, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



CHRIS LEE, Chair



