

Honolulu, Hawaii

FEB 28 , 2020

RE: H.B. No. 2563
H.D. 1

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. 2563, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to exempt planned community associations from requirements under the Hawaii Nonprofit Corporations Act regarding cumulative voting for directors and the removal of directors elected by members or directors.

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, Associa, and one individual. Your Committee received comments on this measure from the Hawaii Council of Community Associations; Law Offices of Mark K. McKellar, LLLC; and four individuals.

Your Committee finds that the cumulative voting provisions under the Hawaii Nonprofit Corporations Act may be manipulated by planned community association boards of directors to prevent minority groups from attaining representation by simply omitting cumulative voting from the notice. Under the 11th edition of Robert's Rules of Order Newly Revised, provisions concerning



cumulative voting must be in the bylaws. This measure will clarify that the cumulative voting provisions under the Hawaii Nonprofit Corporations Act do not apply to planned community associations governed under the State's planned community association laws.

Your Committee notes that the Hawaii State Association of Parliamentarians suggested several amendments to this measure. Should the Senate Committee on Commerce, Consumer Protection, and Health deliberate on this measure further, your Committee on Judiciary respectfully requests that it consider those amendments.

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. 2563, H.D. 1, and recommends that it pass Third Reading.

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




CHRIS LEE, Chair



State of Hawaii
House of Representatives
The THIRTIETH Legislature

HSCR1014-20

Record of Votes of the Committee on Judiciary

Bill/Resolution No.: HB 2563 HDI	Committee Referral: CPC, JUD	Date: 2/28/20		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
JUD Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)	/			
2. SAN BUENAVENTURA, Joy A. (VC)	/			
3. BROWER, Tom	/			
4. CREAGAN, Richard P.	/			
5. LOWEN, Nicole E.	/			
6. McKELVEY, Angus L.K.	/			
7. NAKASHIMA, Mark M.				/
8. PERRUSO, Amy A.	/			
9. SAY, Calvin K.Y.				/
10. TAKAYAMA, Gregg	/			
11. YAMANE, Ryan I.	/			
12. THIELEN, Cynthia				/
TOTAL (12)	9			3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. _____ committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				