

HB

347

A BILL FOR AN ACT

RELATING TO CONDOMINIUMS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 514B-123, Hawaii Revised Statutes, is
2 amended by amending subsection (e) to read as follows:

3 "(e) If a proxy is a standard proxy form authorized by the
4 association, the proxy shall comply with the following
5 additional requirements:

6 (1) The proxy shall contain boxes wherein the owner may
7 indicate that the proxy is given:

8 (A) For quorum purposes only;

9 (B) To the individual whose name is printed on a line
10 next to this box;

11 ~~[(C) To the board as a whole and that the vote is to~~
12 ~~be made on the basis of the preference of the~~
13 ~~majority of the directors present at the~~
14 ~~meeting,] or~~

15 ~~[(D)]~~ (C) To those directors present at the meeting
16 with the vote to be shared with each director
17 receiving an equal percentage;



1 provided that if the proxy is returned with no box or
2 more than one of the boxes in subparagraphs (A)
3 through [~~D~~] (C) checked, the proxy shall be counted
4 for quorum purposes only; and

5 (2) The proxy form shall also contain a box wherein the
6 owner may indicate that the owner wishes to obtain a
7 copy of the annual audit report required by section
8 514B-150."

9 SECTION 2. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 3. This Act shall take effect upon its approval.

12

INTRODUCED BY: *Sam*

JAN 18 2019



H.B. NO. 347

Report Title:

Condominium Associations; Proxy Voting

Description:

Amends the requirements for a condominium association's standard proxy form by deleting the option for a condominium owner to give the proxy to the board as a whole.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.





**HAWAII STATE ASSOCIATION OF PARLIAMENTARIANS
LEGISLATIVE COMMITTEE
P. O. Box 29213
HONOLULU, HAWAII 96820-1613
E-MAIL: STEVEGHI@GMAIL.COM**

February 3, 2019

Honorable Rep. Roy M. Takumi, Chair
Honorable Rep. Linda Ichiyama, Vice-Chair
House Committee on Consumer Protection and Commerce (CPC)
Hawaii State Capitol, Room 329
415 South Beretania Street
Honolulu, HI 96813

RE: Testimony in OPPOSITION to HB347; Hearing Date: February 5, 2019 at 2:00 p.m. in House conference room 329; sent via Internet

Dear Rep. Takumi, Chairman; Rep. Linda Ichiyama, Vice-Chair; Committee Members,

Thank you for the opportunity to provide testimony on this bill.

The Hawaii State Association of Parliamentarians ("HSAP") has been providing professional parliamentary expertise to Hawaii since 1964.

I am the chair of the HSAP Legislative Committee. I'm also an experienced Professional Registered Parliamentarian who has worked with condominium and community associations every year since I began my parliamentary practice in 1983 (more than 1,800 meetings in 35 years). I was also a member of the Blue Ribbon Recodification Advisory Committee that presented the recodification of Chapter 514B to the legislature in 2004.

This testimony is provided as part of HSAP's effort to assist the community based upon our collective experiences with the bylaws and meetings of numerous condominiums, cooperatives, and planned community associations.

This testimony is presented in OPPOSITION to HB347.

Summary of Bill:

This Bill proposes to amend the requirements in HRS §514B-123 for a condominium association's standard proxy form by deleting the option for a condominium owner to give the proxy for an association meeting to the board based upon a majority decision of the board members present at the meeting.

Current Status:

The existing statute, HRS §514B-123, provides a balanced method for condominium unit owners who wish to use association funds to:

- (a) solicit proxies for voting at association elections, or
- (b) solicit proxies for other purposes

at an annual or special meeting when association funds are used for proxy solicitations.

If association funds are to be used, there is a mandatory posting on the property and equal opportunity for owner solicitation. Owners have an opportunity to require that their names and statements of up to one page be submitted with the official meeting notice.

Owners receive a notice that contains the names and statements. This gives them an opportunity to review the statements and decide whether to execute a proxy document for the specific meeting.

Owners have several options if they wish to execute a proxy document. The proxy can:

- (a) name the board of directors, as a whole, based upon the decision of a majority of the directors present at a meeting;
- (b) name the board of directors to be split evenly among the directors present at a meeting;
- (c) name an individual; or
- (d) be restricted to quorum only.

Additionally, the statute provides that the Owner can limit the proxy holder as the Owner desires.

The proxy is limited to the specified meeting and its adjournments. Therefore, a “forever proxy” cannot be used. The Owner may revoke a proxy or go to the meeting and vote in person.

Our position:

The use of proxies is an important part of the association quorum and meeting process. When owners are comfortable with their board, they have the right to specify a majority of board members present (“board majority”) as recipients of a proxy.

There is no reason presented for eliminating the board majority requirement on standard association proxies.

This bill is similar to similar bills presented and never adopted in 2009 (HB2042 and SB499; HB2042 was not heard and SB499 was deferred February 24, 2009 by the Senate Committee then called Consumer Protection and Housing).

This right of an Owner to appoint the board as an entity was originally added by Act 184 in 1984, about 35 years ago. It was reviewed and included as part of the Recodification Report in 2003. This later became Chapter 514B.

Currently, the proxy legislation has only needed minor changes to (a) provide for a majority of directors present at the meeting instead of the entire board, and (b) make the default option for quorum only if no boxes or multiple boxes are checked.

The principle has worked well and has also been incorporated into Planned Community Associations.

There is no need to eliminate the board majority box on the proxy that was established many years ago.

We ask that you defer or hold this bill.

If you require any additional information, your call is most welcome. I may be contacted via phone: 423-6766 or through e-mail: Steveghi@Gmail.com. Thank you for the opportunity to present this testimony.

Sincerely,

Steve Glanstein, Professional Registered Parliamentarian
Chair, HSAP Legislative Committee
SG:tbs



Kokua Council is one of Hawaii’s oldest Senior Advocacy Group. **Kokua Council** advocates, informs, and educates to improve laws, policies and practices impacting the well being of seniors, their families and our community.

TESTIMONY

RE: HB347 RELATING TO CONDOMINIUMS

HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

The Council supports fair and honest elections without which condominium association Boards may fail to be representative of its many members.

Condominiums, because they are perceived to be less costly to purchase, easier to maintain and less cumbersome than a house, and located centrally near stores, clinics, and other facilities, are often the home of choice for seniors.

The current option of proxy assignment to “the Board as a whole” under 514B-123 allows a super majority (the majority of a quorum of the condominium board) to disenfranchise minority members which includes less active and more reticent owners and residents such as seniors.

Removing this option, as proposed by HB347, would end the perpetual self-election of Directors, many of whom have failed to properly physically and financially maintain these multi-unit complexes leading to financial distress which is harder on those with fixed or limited incomes.

Without the option to “the Board as a whole,” Directors can still be elected fairly and honestly, without placing a thumb on the scale during elections.

We support HB347.

Priorities for 2019 from our Community Partners:

- Senior advocates are not focused on only senior-specific concerns, but see the importance of broader community issues, such as open government, prison reform, education, condo governance, and climate change.
- Highest priorities are for adequate and increased funding for established programs.
- There is increasing concern of how programs are implemented at the state and counties, the transparency of state and county agencies and their budgets, appropriate and effective regulations, and treatment of vendors.
- There is also a growing recognition that the laws and practices of condo governance boards can have a major impact on the safety and quality of life of seniors living in those buildings.

Kokua Council's Top Five Priorities for 2019

1. **Funding, structure, and implementation of the Kupuna Caregivers Law.**
2. **More funds to serve more seniors** in other programs: Kupuna Care, ADRCs, etc.
3. **Less bureaucracy and timely payments** for vendors delivering Kupuna services.
4. **Condo legal and financial protections** for low income, vulnerable senior residents.
5. **Greater transparency and collaboration** in legislating, designing, and implementing policies, programs and practices impacting seniors & their families.

*To Contact Kokua Council, send emails to Jim Shon, President:
jshon@hawaii.edu.*

HB-347

Submitted on: 2/1/2019 7:38:41 AM

Testimony for CPC on 2/5/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lila Mower	Hui `Oia`i`o, a coalition of condo owners	Support	No

Comments:

One of our major goals is to ensure that association owners are afforded fair and honest elections which are the basis for democratic (representative) governance.

Without fair and honest elections, association Boards may be dictatorial, despotic, and/or corrupt, rather than representative of its many members.

This goal is manifested in many ways including the elimination of the option to assign condo owners' proxies to "the Board as a whole" as is currently available under 514B-123 and thus affects all registered condominium associations.

Removing this proxy option would alleviate the disenfranchisement of minority owners, give voice to their heretofore silenced concerns, and end the self-perpetuation of an entrenched Board.

In associations in which Directors have continued to re-elect themselves using "the Board as a whole" assignment of proxies, it is not uncommon to find tremendous financial distress caused by poor governance and evidenced by deferred maintenance and low reserves. Review the histories of troubled associations, many of them plagued by exorbitant increases in maintenance fees (e.g., 48.8% year-over-year, 38% year-over-year) or pounded by assessments (e.g., \$21 million in 2011 followed by \$11 million in 2017) and you'll find self-perpetuated Boards with some Directors in place for decades.

Attempts to institute term limits for Directors to stem misguided association governance have failed at the Legislature.

But the elimination of the option to assign proxies to "the Board as a whole" can finally abolish too much power in the hands of few for too long and is the Legislature's opportunity to systemically rid Associations of nonfeasant boards.

Please approve HB347.



P.O. Box 976
Honolulu, Hawaii 96808

January 31, 2019

Honorable Roy M. Takumi
Honorable Linda Ichiyama
Committee on Consumer Protection & Commerce
415 South Beretania Street
Honolulu, Hawaii 96813

Re: HB347 - OPPOSE

Dear Chair Takumi, Vice-Chair Ichiyama and Committee Members:

This testimony in opposition to HB347 is submitted on behalf of the Community Associations Institute ("CAI") Legislative Action Committee.

The Committee opposes this bill because there is no rationale given for eliminating the Whole Board proxy vote, and in the experience of the Committee members, the measure is completely unnecessary. It seems to be an attempt to rectify a problem that does not exist.

In most condominium association elections the majority of proxies submitted are assigned to the Whole Board. A much smaller percentage is assigned to the Board on a split (percentage) basis. The question then becomes whether the owners will assign their proxies to the Board on a split basis or submit the proxy for quorum purposes only. When the 'quorum only' option is selected, the owner effectively gives up his/her right to vote in the election or in any other ballot questions that come before the assembly. The 'quorum only' proxy is a non-voting proxy.

If the result is that the 'quorum only' option receives a large share of the proxies, the effective voting rights of the owners will be diminished and the power to select the Board members will be concentrated in a smaller segment of the ownership. The potential for abuse is increased.

Some association bylaws stipulate that to be elected to a director's position the candidate must receive the votes of not only a majority of the owners present at the meeting, but also a majority of the ownership in general. Since this bill could have the effect of increasing the 'quorum only' share of proxies, it could make it potentially impossible to elect anyone to the Board of Directors for some associations.

CAI represents the condominium industry, and opposes any attempt to undermine the democratic voting procedures of these self-governing associations. We respectfully request the Committee to defeat HB 347 and maintain the current proxy format.

Very truly yours,

Allen Wilson
Allen Wilson

HB-347

Submitted on: 2/4/2019 11:52:11 AM

Testimony for CPC on 2/5/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mark McKellar	Law Offices of Mark K. McKellar, LLLC	Oppose	No

Comments:

Dear Representative Takumi, Chair, Representative Ichiyama, Vice Chair, and Members of the Committee:

I OPPOSE H.B. 347 for the following reasons:

Condominium associations are legal entities that act by and through their boards of directors. Condominium boards are comprised of individual directors who are members of their associations and elected by the owners. These individual directors act collectively as a body (*i.e.*, the board) to oversee the administration and operation of the condominium project. It is the **board, as a whole**, that owners rely upon and trust to manage the affairs of their associations. It therefore follows that many owners give their proxies to the "**board as a whole**," because that is the entity in which they have faith and confidence. For those owners who do not have faith or confidence in their association's board of directors or prefer to give their proxies to an individual, they are free to check one of the other boxes on the standard proxy form and to give their proxies to an individual of their choosing. The four boxes on the proxy are intended to give owners the freedom of choice in selecting a person or entity to act as their proxy at association meetings.

1. law has allowed owners to give their proxies to the board as an entity since 1984. Without any stated explanation, H.B. 347 would serve to eliminate the box on standard proxy forms allowing owners to give their proxies to the board as a whole. There is no good reason for this change. Owners ought to be able to give their proxies to the board as a whole if they wish to do so and the Legislature should not interfere with this process.

For the reasons stated herein I OPPOSE H.B. 347.

Respectfully submitted,

Mark McKellar

HB-347

Submitted on: 1/31/2019 11:27:04 AM

Testimony for CPC on 2/5/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Richard Emery	Associa	Oppose	Yes

Comments:

It is common practice even with corporations to allow the owner to assign his/her proxy to whomever they want. It's the owner's choice. This Bill eliminates an owner's choice and thus their representation.

HB-347

Submitted on: 1/31/2019 7:17:02 PM

Testimony for CPC on 2/5/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jane Sugimura	HI Council of Assoc. of Apt. Owners a	Oppose	No

Comments:

The proxy form has several options for the owner to choose. If the proponent of this bill is concerned about owners selecting the option designating the proxy to the board as a whole, then that person or persons need to educate owners not to select that option since some owners may want to select that option .

HB-347

Submitted on: 1/30/2019 8:19:49 PM

Testimony for CPC on 2/5/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Marcia Kimura	Individual	Support	No

Comments:

I support this measure as a means to prevent association board abuse of their powers and privileges. Directors need to be held accountable for their actions and to exercise diligence, with fresh outlooks on crucial condo matters. This is next to impossible if individual directors cannot vote and initiate solutions independently.

Lourdes Scheibert
920 Ward Ave #6D
Honolulu, Hawaii 96814
email:lourdes10@me.com

January 31, 2019

Consumer Protection & Commerce

Senator Roy Takumi, Chair

Linda Ichiyama, Vice Chair

Members: Senators Henry Aquino, Della Au Belatti, Rida Cabanilla Arakawa, Romy Cachola, Sharon Har, Sam Satoru Kong, John Mizuno, Richard Onishi, Lauren Matsumoto

Support HB347: Amends the requirements for a condominium association's standard proxy form by deleting the option for a condominium owner to give the proxy to the board as a whole.

Dear Senator Takumi and members of the committee,

I am a condominium owner and a resident in the Kakaako district, and a constituent of Hawaii state Senator Sharon Moriwaki and House Leader Scott Saiki.

In 1996, two amendments were introduced by the Community Association Institute Legislative Action Committee to HRS 514A-123 on voting proxies. The first assigns proxies to the board as a whole. The second assigns proxies to the board, to be divided equally among the directors attending the meeting. The Real Estate Commission also testified with a letter to the Senate Housing Committee, on House Bill No 3241, "*We question if the amendment will provide for more abuse on the use of proxies and whether a new set of problems will appear, such as a new type of proxies and/or more challenges to proxies.*"

In many of the associations, as a result of proxies held by the majority of the directors, they have continued to re-elect themselves and to serve for decades during which owners experienced tremendous financial distress caused by poor governance including deferred maintenance and low reserves. (For two examples, see <http://www.civilbeat.org/2016/05/the-brutal-reality-of-owning-a-condo-in-hawaii/> and [http://myAssociationsite.com/files/january2017specialedition newsletter 263.pdf](http://myAssociationsite.com/files/january2017specialedition%20newsletter%20263.pdf))

Assigning proxies as a whole to the Board is a problem because this rewards and encourages condo board member absenteeism at meetings, indifference to critical association issues, and a lack of adequate education on condo statutes. It also inflates the

power of a small minority to decide for all residents, often with significant negative financial impacts on those with limited incomes.

There have been multiple earlier attempts in the last twenty years to remove this option and attempts to institute term limits for directors, all with the determination to abolish too much power in the hands of few for too long.

However, I do agree that CAI's option to assign and equally divide an owner's proxy among directors present at the meeting should be preserved so that board members who represent the minority as well as majority members have the opportunity to fairly represent all owners.

Please support the following measures: **SB724** introduced and supported by Senator Maile Shimabukuro and Senators: Stanley Chang, Les Ihara, Gilbert Keith-Agaran, Donna Mercado Kim, Clarence Nishihara. **HB347 (the companion bill to SB724)** introduced by House Leader Scott Saiki. Please support, **SB121**, submitted by Senator Sharon Moriwaki's version of the bill on my behalf as a third party. Although Senator Moriwaki and I have different opinions on eliminating the proxies to the Board as a whole, I respect her opinion.

Thank-you,
Lourdes Scheibert
Condominium Owner

HB-347

Submitted on: 1/31/2019 7:19:14 AM

Testimony for CPC on 2/5/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dale	Individual	Support	Yes

Comments:

I requested this bill be introduced and support its passage. For the past several years now in my condo association we have had 'sham' elections enabled to occur by the curious category for owners to assign their Proxy to Board as a 'whole', or, to be divided equally between its members. It amounts to an 'incumbent preservation act', in this manner.

Each year, the private property management company, Hawaiian Properties LLC, performs the role of 'running' our election for Board of Directors at an annual meeting. Their designated manager does not advise attendees 'how many proxies' have been assigned to either category. After people are handed a ballot to check off which candidate they are voting for, routinely, a Board of Directors President calls for a 'sidebar' meeting of Board members. There he or she makes a Motion to award 'All proxies assigned to the Board to....' (usually their closed friends and allies on the Board). Under this circumstance, the persons who would have been 'voted off' by owners become the top holder of Proxies and however many votes each one is worth.

For 2018 we had six candidates for four positions. Under 'cumulative voting', each Proxy was then worth four votes. Although property manager declined to reveal how many such Proxies were assigned in the two designated categories for the Board (per the state required Proxy format), this later was ascertained only after making three separate trips to Hawaiian Properties (by myself). [This took a total of 3 trips to get 5 hours in their office. Time on the road to accomplish this was 8 hours. So, it took me 13 hours to get information which could / should have been provided at our annual meeting.]

While I had been assigned proxies of 44 owners, the other five candidates, combined, had only 36. The lowest man had just 4. Yep, thanks to a rigged election, he was retained. This happened when our President combined **75** proxies for Board as a 'whole' and **26** which were supposed to be divided between its members. The two amounts add up to 101. As there were four openings, the **101** was multiplied by **4**, due to cumulative voting, which made them good for **404** 'votes'. These were then split between his two friends up for reelection on the Board, which assured their retention. [Owners are clueless about how this chicanery occurs, and are never informed afterwards. It is treated like a 'trade secret'.]

Although I have resided at Makaha Surfside, a 454 unit complex in Waianae, for 31+ years, it is only in the last 5 years that our elections have been ruthlessly rigged, thanks to having the category for the Board on the Proxy. It must be stricken to prevent chicanery. I discovered our Board President only had **7** proxies assigned to him by owners, yet, he was able to secretly, in collusion with the Hawaiian Properties manager, poach all owners proxies assigned to the Board to keep his friends on it, and therefore, control of it. (It was surely unethical for those two people to vote to accept them as it was a 'conflict of interest' for them to do so. It is, in truth, a nonsensical device created by Community Associations Institute and, somehow, 'sold' to our 1996 legislators as a good thing. Well, it is very good for stealing elections.

This committee with words about Consumer Protection in its title, should respect those words and indeed, protect consumers. Presently we do not have transparency as if that is a bad thing. Keep in mind that last year there was a bill which would make it a mere 'misdemeanor' to falsify association records (which includes stealing elections). It was defeated. Bad message to consumers.

Please pass this bill. There is chicanery occurring in other associations as well, thanks to state disinterest in integrity of association elections. As taxpayers and your constituents we should not be treated like '2nd class' citizens, with no rights.

HB-347

Submitted on: 1/31/2019 9:06:18 AM

Testimony for CPC on 2/5/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
lynne matusow	Individual	Oppose	No

Comments:

As both a condominium owenr and board member I must strogly object to this bill. I do not inow what purpose it serves. Deleting the board as a whole as a proxy option is a bad idea. We could well end up with fewer proxies, prohibiting us from doing certain business. There are years where we have quorum but not enough votes to do certain business at the annual meeting.

Several years ago there was a failed attempt to remove the quorum only option.

The proxy system works well as is. Please do not tinker with something that has longevity and is proven to work.

Please vote no.

Lynne Matusow

HB-347

Submitted on: 1/31/2019 12:20:19 PM

Testimony for CPC on 2/5/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Harendra Panalal	Individual	Support	No

Comments:

I SUPPORT HB347.

I have been living in Honolulu condos since 1970.

I am on BOD of three condos, two of them as president.

Mahalo

Harendra Panalal, MSE, PE, RME

off 792-0455

home 538-6202

harenp2009@hotmail.com

HB-347

Submitted on: 1/31/2019 1:16:57 PM

Testimony for CPC on 2/5/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Philip Nerney	Individual	Oppose	No

Comments:

People should be at liberty to choose how to assign a proxy. No one forces an owner to make the choice to assign a proxy to be voted on the basis of the preference of a majority of the directors present. How is it fair or democratic to eliminate that *potential* choice?

Owners may have confidence in a board majority, and might specifically intend to enable the board majority to vote on their behalf.

In contrast, owners might *lack* confidence in certain individual directors and intend that such individuals not serve as a proxy for them. Being able to provide a proxy to be voted based upon the preference of a board majority is also safer than forcing an owner to select a single individual to vote a proxy.

Owners remain at liberty to engage in the democratic process and to seek to persuade other owners to give a proxy to an owner who wants something different. It is not at all uncommon for owners to vote for change when governance is not working for them.

This bill would not reflect a functional approach to association governance. It should be deferred.

HB-347

Submitted on: 1/31/2019 5:39:22 PM

Testimony for CPC on 2/5/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
M D Schochet	Individual	Support	No

Comments:

The elimination of the assignment of a Proxy to the "Board As A Whole" is a step forward. The Board As A Whole proxy designation (often used inadvertently by absentee and/or uninformed condo owners) continues to be abused by many condo association boards as Directors continually reelect themselves year after year. The proposed change to the existing statute is fair and reasonable.

HB-347

Submitted on: 2/2/2019 7:38:59 AM

Testimony for CPC on 2/5/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
David Thomson	Individual	Support	No

Comments:

This will add clarity to the proxy holder and simplify the tabulation process.

HB-347

Submitted on: 2/2/2019 6:02:33 PM

Testimony for CPC on 2/5/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Anne Anderson	Individual	Oppose	No

Comments:

Dear Representative Takumi, Chair, Representative Ichiyama, Vice Chair, and Members of the Committee:

I OPPOSE H.B. 347 for the following reasons:

Condominium associations are legal entities that act by and through their boards of directors. Condominium boards are comprised of individual directors who are members of their associations and elected by the owners. These individual directors act collectively as a body (*i.e.*, the board) to oversee the administration and operation of the condominium project. It is the **board, as a whole**, that owners rely upon and trust to manage the affairs of their associations. It therefore follows that many owners give their proxies to the "**board as a whole**," because that is the entity in which they have faith and confidence. For those owners who do not have faith or confidence in their association's board of directors or prefer to give their proxies to an individual, they are free to check one of the other boxes on the standard proxy form and to give their proxies to an individual of their choosing. The four boxes on the proxy are intended to give owners the freedom of choice in selecting a person or entity to act as their proxy at association meetings.

The law has allowed owners to give their proxies to the board as an entity since 1984. Without any stated explanation, H.B. 347 would serve to eliminate the box on standard proxy forms allowing owners to give their proxies to the board as a whole. There is no good reason for this change. Owners ought to be able to give their proxies to the board as a whole if they wish to do so and the Legislature should not interfere with this process.

For the reasons stated herein I OPPOSE H.B. 347.

Respectfully submitted,

M. Anne Anderson

HB-347

Submitted on: 2/2/2019 7:18:19 PM

Testimony for CPC on 2/5/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Julie Wassel	Individual	Oppose	No

Comments:

Dear Representative Takumi, Chair, Representative Ichiyama, Vice Chair, and Members of the Committee:

I OPPOSE H.B. 347 for the following reasons:

Condominium associations are legal entities that act by and through their boards of directors. Condominium boards are comprised of individual directors who are members of their associations and elected by the owners. These individual directors act collectively as a body (*i.e.*, the board) to oversee the administration and operation of the condominium project. It is the **board, as a whole**, that owners rely upon and trust to manage the affairs of their associations. It therefore follows that many owners give their proxies to the "**board as a whole**," because that is the entity in which they have faith and confidence. For those owners who do not have faith or confidence in their association's board of directors or prefer to give their proxies to an individual, they are free to check one of the other boxes on the standard proxy form and to give their proxies to an individual of their choosing. The four boxes on the proxy are intended to give owners the freedom of choice in selecting a person or entity to act as their proxy at association meetings.

The law has allowed owners to give their proxies to the board as an entity since 1984. Without any stated explanation, H.B. 347 would serve to eliminate the box on standard proxy forms allowing owners to give their proxies to the board as a whole. There is no good reason for this change. Owners ought to be able to give their proxies to the board as a whole if they wish to do so and the Legislature should not interfere with this process.

For the reasons stated herein I OPPOSE H.B. 347.

Respectfully submitted, Julie Wassel

HB-347

Submitted on: 2/3/2019 7:54:31 PM

Testimony for CPC on 2/5/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
mary freeman	Individual	Oppose	No

Comments:

Dear Representative Takumi, Chair, Representative Ichiyama, Vice Chair, and Members of the Committee:

I OPPOSE H.B. 347 for the following reasons:

Condominium associations are legal entities that act by and through their boards of directors. Condominium boards are comprised of individual directors who are members of their associations and elected by the owners. These individual directors act collectively as a body (*i.e.*, the board) to oversee the administration and operation of the condominium project. It is the **board, as a whole**, that owners rely upon and trust to manage the affairs of their associations. It therefore follows that many owners give their proxies to the "**board as a whole**," because that is the entity in which they have faith and confidence. For those owners who do not have faith or confidence in their association's board of directors or prefer to give their proxies to an individual, they are free to check one of the other boxes on the standard proxy form and to give their proxies to an individual of their choosing. The four boxes on the proxy are intended to give owners the freedom of choice in selecting a person or entity to act as their proxy at association meetings.

The law has allowed owners to give their proxies to the board as an entity since 1984. Without any stated explanation, H.B. 347 would serve to eliminate the box on standard proxy forms allowing owners to give their proxies to the board as a whole. There is no good reason for this change. Owners ought to be able to give their proxies to the board as a whole if they wish to do so and the Legislature should not interfere with this process.

For the reasons stated herein I AM OPPOSED TO H.B. 347.

Respectfully submitted,

Mary S. Freeman

HB-347

Submitted on: 2/3/2019 10:45:05 PM

Testimony for CPC on 2/5/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Leimomi Khan	Individual	Support	No

Comments:

Definitely advocate for adoption of HB347 that amends the requirements for a condominium association's standard proxy form by deleting the option for a condominium owner to give the proxy to the board as a whole. This privilege has time and again been abused by the Board, especially during elections when the Board votes in current board members. The deletion of the option for a condominium owner to give the proxy to the board as a whole will level the playing field for homeowners. I applaud the introducers of this bill...finally, as a condominium homeowner, I am encouraged. Please pass this bill!

HB-347

Submitted on: 2/3/2019 11:16:59 PM

Testimony for CPC on 2/5/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Stuart Donachie	Individual	Support	No

Comments:

I fully support HB347. I believe that assigning a proxy to a Board simply provides the Board a mechanism to vote for itself, or for the Board to vote to re-elect current members, such as those that historically vote with the Board. A Board in possession of large blocks of proxies can even vote for new Board members they believe will conform to only the current Board members' 'mission'. There is simply too much scope for abuse of this power. Thus, a Board is able to abuse the current arrangement and perpetuate its members' conflicts of interest.

HB-347

Submitted on: 2/4/2019 8:52:29 AM

Testimony for CPC on 2/5/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Paul A. Ireland Koftinow	Individual	Oppose	No

Comments:

Dear Representative Takumi, Chair, Representative Ichiyama, Vice Chair, and Members of the Committee:

I OPPOSE H.B. 347 for the following reasons:

Condominium associations are legal entities that act by and through their boards of directors. Condominium boards are comprised of individual directors who are members of their associations and elected by the owners. These individual directors act collectively as a body (i.e., the board) to oversee the administration and operation of the condominium project. It is the **board, as a whole**, that owners rely upon and trust to manage the affairs of their associations. It therefore follows that many owners give their proxies to the "**board as a whole**," because that is the entity in which they have faith and confidence. For those owners who do not have faith or confidence in their association's board of directors or prefer to give their proxies to an individual, they are free to check one of the other boxes on the standard proxy form and to give their proxies to an individual of their choosing. The four boxes on the proxy are intended to give owners the freedom of choice in selecting a person or entity to act as their proxy at association meetings.

The law has allowed owners to give their proxies to the board as an entity since 1984. Without any stated explanation, H.B. 347 would serve to eliminate the box on standard proxy forms allowing owners to give their proxies to the board as a whole. There is no good reason for this change. Owners ought to be able to give their proxies to the board as a whole if they wish to do so and the Legislature should not interfere with this process.

For the foregoing reasons, I OPPOSE H.B. 347.

Respectfully submitted,

Paul A. Ireland Koftinow

HB-347

Submitted on: 2/4/2019 9:06:02 AM

Testimony for CPC on 2/5/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Glenn S. Horio	Individual	Oppose	No

Comments:

Dear Representative Takumi, Chair, Representative Ichiyama, Vice Chair, and Members of the Committee:

I OPPOSE H.B. 347 for the following reasons:

Condominium associations are legal entities that act by and through their boards of directors. Condominium boards are comprised of individual directors who are members of their associations and elected by the owners. These individual directors act collectively as a body (*i.e.*, the board) to oversee the administration and operation of the condominium project. It is the **board, as a whole**, that owners rely upon and trust to manage the affairs of their associations. It therefore follows that many owners give their proxies to the "**board as a whole**," because that is the entity in which they have faith and confidence. For those owners who do not have faith or confidence in their association's board of directors or prefer to give their proxies to an individual, they are free to check one of the other boxes on the standard proxy form and to give their proxies to an individual of their choosing. The four boxes on the proxy are intended to give owners the freedom of choice in selecting a person or entity to act as their proxy at association meetings.

1. law has allowed owners to give their proxies to the board as an entity since 1984. Without any stated explanation, H.B. 347 would serve to eliminate the box on standard proxy forms allowing owners to give their proxies to the board as a whole. There is no good reason for this change. Owners ought to be able to give their proxies to the board as a whole if they wish to do so and the Legislature should not interfere with this process.

For the reasons stated herein I OPPOSE H.B. 347.

Respectfully submitted,

Glenn S. Horio

HB-347

Submitted on: 2/5/2019 2:41:48 PM

Testimony for CPC on 2/5/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Esther Gefroh	Individual	Support	No

Comments:

I am submitting this in support of this bill. Owners rights should not be given away via proxies to the Board as a whole. This will help stop abuse of power.