

Honolulu, Hawaii

FEB 15 , 2022

RE: H.B. No. 2272
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2272 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUM ASSOCIATIONS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Permit sixty-seven percent of condominium unit owners to amend a condominium declaration;
- (2) Require developers' public reports to include annual reserve contributions based on a reserve study;
- (3) Clarify time and date requirements for petitions to amend bylaws and calls for special meetings; electronic, machine, and mail voting during periods of emergency; time frame for approval of minutes; and board meeting participation; and
- (4) Require a condominium association's reserve study to be performed by an independent, certified reserve specialist and prepared or updated at least every three years.



Your Committee received testimony in support of this measure from the Hawaii State Association of Parliamentarians and three individuals. Your Committee received testimony in opposition to this measure from two individuals. Your Committee received comments on this measure from the Hawaii Council of Associations of Apartment Owners; Hawaii Insurers Council; Associa; Community Associations Institute, Legislative Action Committee Hawaii Chapter; and ten individuals.

Your Committee finds that this measure makes various clarifying amendments related to condominium governance and financial solvency, including offering condominium associations the ability to make rules available to condominium owners on an association's website. Your Committee notes that many condominium associations do offer accommodation in hard copy and other means of providing notice and it is not your Committee's intention to curtail this practice. Rather, the expectation of your Committee is that condominium associations will continue to offer accommodations regarding notice. However, your Committee does believe this issue may warrant clarification as this measure moves through the legislative process.

Your Committee further finds that this measure amends the condominium law to specify that a proxy must be given to the secretary or managing agent of an association no later than Hawaii-Aleutian Standard Time. Your Committee understands that this is duplicative, as section 1-30, Hawaii Revised Statutes (HRS), specifies that times referred to in statute are to be construed to be Hawaiian Standard Time. Your Committee notes, however, that many condominium associations may be multi-state and may be looking only within the condominium law, rather than the overall HRS. Therefore, your Committee finds that the reference to Hawaii-Aleutian Standard Time is a helpful clarification for those who may be unfamiliar with the HRS, even though it is not strictly necessary.

Your Committee has amended this measure by:

- (1) Removing the requirement that a condominium association's reserve study be completed by an independent, certified reserve specialist every three years;



- (2) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (3) Making a technical, nonsubstantive amendment for the purposes of 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. 2272, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2272, 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,



AARON LING JOHANSON, Chair



