

February 1, 2022

Dear Representative Johanson, Chair, Representative Kitigawa, Vice Chair, and Members of the Committee:

I support the intent of HB1781 but believe that it needs to be amended. I support the changes proposed by Steve Glanstein and ask the committee to approve the bill with those changes.

Respectfully submitted,

Primrose Nakamoto

HB-1781

Submitted on: 2/1/2022 6:12:33 PM

Testimony for CPC on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mark McKellar	Law Offices of Mark K. McKellar, LLC	Support	No

Comments:

Dear Representative Johanson, Chair, Representative Kitigawa, Vice Chair, and Members of the Committee:

I support the intent of HB1781, but believe that it needs to be amended. I support the changes proposed by Steve Glanstein and ask the committee to approve the bill with those changes.

Respectfully submitted,

Mark McKellar



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

February 1, 2022

Honorable Rep. Aaron Ling Johanson, Chair
Honorable Rep. Lisa Kitagawa, 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 SUPPORT OF HB1781 with Amendments; Hearing Date:
February 3, 2022 at 2:00 p.m. Conference room 329 and Zoom; sent via Internet**

Aloha Rep. Johanson, Chairman; Rep. Kitagawa, Vice-Chair; Committee Members,

Thank you for the opportunity to provide testimony on this bill. I have a prior obligation and may not be at the hearing in time to provide verbal testimony.

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 2,000 meetings in 39 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 governing documents and meetings of numerous condominiums, cooperatives, and Planned Community Associations.

This testimony is presented in **SUPPORT OF HB1781 with Amendments**.

The bill is a companion to SB2685 which contained much of the same information as 2020 HB2563 HD1 SD1¹ approved by the 2020 Consumer Protection and Health Committee. Progress on the 2020 bill was halted due to the COVID-19 shutdown.²

¹ Internet link: [2020 HB2563 HD1 SD1](#)

² The original 2020 bill was approved through the work and support of the Hawaii State Association of Parliamentarians; Hawaii Chapter of the Community Associations Institute; Associa; Law Offices of Mark K. McKeller, LLLC; and several stakeholders.

The 2020 CPH Committee issued a report (2020 SCR 3449³) which stated in part:

“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 meeting notices. 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 stakeholders have had an opportunity to discuss potential amendments to clarify the cumulative voting procedures for planned community associations, similar to those found in the statutes governing condominium associations. Accordingly, amendments to this measure are necessary to incorporate this consensus language.”

HB1781 is slightly different from the 2020 bill that was coordinated with numerous stakeholders. We submitted similar amendments to the Senate CPH on the companion bill SB2685. We recommend that Sections 1 and 4 of the current bill be amended as follows:

SECTION 1.

[No changes proposed to §421J-A]

“§421J-B Removal of directors elected by members or directors. (a) The members may remove one or more directors elected by **them** [cumulative voting by the members] with or without cause unless otherwise provided in the articles of incorporation, declaration, or bylaws. If the removal is successful, the replacement director or directors shall be elected for the remainder of the removed director's or directors' term or terms in accordance with all applicable requirements and procedures in the articles of incorporation, declaration, or bylaws, and this chapter. If **[a] the replacement director or directors [is]** are not elected at the meeting **[at] in** which the removal occurred, notwithstanding **anything** [any provision] to the contrary in the articles of incorporation, declaration, or bylaws, the board may fill vacancies to serve until the next annual or duly noticed special association meeting.”

[Wording in current bill would have precluded removing members who were not elected by cumulative voting.]

(b) If a director is elected by a class, chapter, or other organizational unit, or by region or other geographic grouping, the director may be removed only by the members of that class, chapter, unit, or grouping.

³ Internet link: [2020 SCR3449](#)

(c) Except as provided in subsection (j), a director may be removed under subsection (a) or (b) only if the number of votes cast to remove the director would be sufficient to elect the director at a meeting to elect directors.

(d) If cumulative voting is authorized at the meeting, the director **may** [shall] not be removed if the number of votes, or if the director was elected by a class, chapter, unit, or grouping of members, the number of votes of that class, chapter, unit, or grouping, sufficient to elect the director under cumulative voting is voted against the director's removal.

(e) A director elected by members may be removed by the members at any regular or special meeting; provided that:

(1) The board of directors recommends removal of one or more directors; or

(2) A member delivers to the secretary of the association or managing agent a petition for removal of one or more directors that:

(i) is signed by members representing at least one hundred units or members who own at least twenty-five per cent of the total number of units in the planned community, whichever is less;

(ii) contains the printed name, identification of the unit, and address of the signing members and dates of their signatures;

(iii) is delivered within seven days after the posting of notice of intent to distribute proxies that includes the election of directors in accordance with section 421J-4(e), or within seven days after the posting of a notice of intent to distribute a notice of a meeting under section 421J-3.5(f); and

(iv) the petition is submitted within one hundred twenty days of the earliest signature.

[Suggested separate paragraphs for clarity and deadline to avoid multiple use of the same petition.]

[(1) The member delivers to the secretary of the association or managing agent a petition for removal of one or more directors, signed by members representing at least one hundred units or members who own at least twenty-five per cent of the total number of units in the planned community, whichever is less, and containing the printed name, identification of the unit, and address of the signing members and dates of their signatures; and]

[(2) The petition is so delivered within seven days after the posting of a notice of intent to distribute proxies that include the election of directors in accordance with section 421J-4(e) or within seven days after the posting of a notice of the meeting under section 421J-3.5(e).]

(f) If **the board of directors recommends removal or** a timely petition is delivered to

the secretary of the association or managing agent, the secretary or managing agent shall include the proposed removal in the notice of the meeting.

(g) In computing whether a director is protected from removal under subsections (b) through (d), it should be assumed that the votes against removal are cast in an election for the number of directors to the class to which the director to be removed belonged at the meeting at which the removal is proposed.

[We noted minor non-substantive wording changes were made.]

(h) An entire board of directors may be removed under subsections (a) through (c).

[We noted minor non-substantive wording changes were made.]

(l) If, at the beginning of a director's term on the board, the articles of incorporation, declaration, or bylaws provide that the director may be removed for missing a specified number of board meetings, the board may remove the director for failing to attend the specified number of meetings. The director may be removed only if a majority of the directors then in office vote for the removal.

SECTION 4.

[We noted minor non-substantive wording changes were made for clarity and updates made by 2021 Act 83.]

We request that you pass the bill with the amendments provided.

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

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

HCCA

Hawaii Council of Community
Associations
www.hawaiicouncil.com

February 2, 2022

Representative Aaron Johanson, Chair
Representative Lisa Kitagawa, Vice-Chair
House Committee on Consumer Protection and Commerce


Re: HB1781 Relating to Planned Community Associations. Testimony in Support
Thursday, February 3, 2022 at 2p.m.

Chair Johanson, Vice-Chair Kitagawa and Members of the Committee:

I am Jane Sugimura, President of the Hawaii Council of Associations of Apartment Owners (HCCA).

HCCA supports this bill and asks that this bill be passed out with the amendments proposed by Steve Glanstein of the Hawaii State Association of Parliamentarians Legislative Committee. HCCA joins in the comments in support of proposed amendments to this bill contained in the testimony of Steve Glanstein.

Thank you for allowing me to testify on this bill.


Jane Sugimura
President



**HAWAII STATE ASSOCIATION OF PARLIAMENTARIANS
LEGISLATIVE COMMITTEE
P. O. Box 29213
HONOLULU, HAWAII 96820-1613
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February 1, 2022

Honorable Rep. Aaron Ling Johanson, Chair
Honorable Rep. Lisa Kitagawa, Vice-Chair
House Committee on Consumer Protection and Commerce (CPC)
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February 3, 2022 at 2:00 p.m. Conference room 329 and Zoom; sent via
Internet**

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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 2,000 meetings in 39 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 governing documents and meetings of numerous condominiums, cooperatives, and Planned Community Associations.

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“Your Committee notes that stakeholders have had an opportunity to discuss potential amendments to clarify the cumulative voting procedures for planned community associations, similar to those found in the statutes governing condominium associations. Accordingly, amendments to this measure are necessary to incorporate this consensus language.”

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[Wording in current bill would have precluded removing members who were not elected by cumulative voting.]

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(c) Except as provided in subsection (j), a director may be removed under subsection

³ Internet link: [2020 SCR3449](#)

(a) or (b) only if the number of votes cast to remove the director would be sufficient to elect the director at a meeting to elect directors.

(d) If cumulative voting is authorized at the meeting, the director **may** [shall] not be removed if the number of votes, or if the director was elected by a class, chapter, unit, or grouping of members, the number of votes of that class, chapter, unit, or grouping, sufficient to elect the director under cumulative voting is voted against the director's removal.

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(1) The board of directors recommends removal of one or more directors; or

(2) A member delivers to the secretary of the association or managing agent a petition for removal of one or more directors that:

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(ii) contains the printed name, identification of the unit, and address of the signing members and dates of their signatures;

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(iv) the petition is submitted within one hundred twenty days of the earliest signature.

[Suggested separate paragraphs for clarity and deadline to avoid multiple use of the same petition.]

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through (d), it should be assumed that the votes against removal are cast in an election for the number of directors to the class to which the director to be removed belonged at the meeting at which the removal is proposed.

[We noted minor non-substantive wording changes were made.]

(h) An entire board of directors may be removed under subsections (a) through (c).

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SECTION 4.

[We noted minor non-substantive wording changes were made for clarity and updates made by 2021 Act 83.]

We request that you pass the bill with the amendments provided.

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

Steve Glanstein, Professional Registered Parliamentarian
Chair, HSAP Legislative Committee

SG:tbs/

HB-1781

Submitted on: 2/2/2022 12:56:37 PM

Testimony for CPC on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Karen Watson	Hawaii State Association of Parliamentarians	Support	No

Comments:

Aloha Representative Johanson, Chair; Representative Kitigawa, Vice Chair; and Members of the Committee:

In Hawaii, I serve planned community associations as a professional registered parliamentarian. While I support HB1781, in my opinion the bill needs amending.

Steve Glanstein, the Island State's primary parliamentarian, has served Hawaii since 1984; he knows the field of service to PCAs. Mr. Glanstein is suggesting changes to the bill that provide clear meaning.

Respectfully, I ask the committee to approve HB 1781 **with the changes offered by Mr. Glanstein.**

Mahalo.

Karen Watson

Professional Registered Parliamentarian

HB-1781

Submitted on: 2/2/2022 1:26:54 PM

Testimony for CPC on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Marilyn Joyce Oka	Kekuilani Villas	Support	No

Comments:

Dear Representative Johanson, Chair, Representative Kitigawa, Vice Chair, and Members of the Committee:

I support the intent of HB1781, but believe that it needs to be amended. I support the changes proposed by Steve Glanstein and ask the committee to approve the bill with those changes.

Respectfully submitted,

Marilyn Joyce Oka



February 2, 2022

VIA WEB TRANSMITTAL

Hearing Date: Thursday, February 3, 2022

Time: 2:00 p.m.

Place: Conference Room 329

Rep. Aaron Ling Johanson, Chair

Rep. Lisa Kitagawa, Vice-Chair

House Committee on Consumer Protection & Commerce

Re: Hawaii Chapter, Community Associations Institute's
Testimony in support of HB 1781 with amendments

Dear Chair Johanson, Vice-Chair Kitagawa and Committee members:

I am the Chair of the Legislative Action Committee of the Community Associations Institute, Hawaii Chapter ("CAI-LAC"). We represent the condominium and community association industry and submit this testimony in support of HB 1781, with amendments, as addressed in the testimony submitted by Steve Glanstein, the Chair of the Hawaii State Association of Parliamentarians, to this Committee prior to the February 3, 2022 hearing.

Based on the foregoing, and my direct conversations with Steve Glanstein regarding HB 1781, we respectfully submit that HB 1781 should be passed out of Committee with amendments. Thank you for your time and consideration.

Sincerely yours,

/s/ R. Laree McGuire

R Laree McGuire

CAI LAC Hawaii

HB-1781

Submitted on: 2/1/2022 3:51:53 PM

Testimony for CPC on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Anne Anderson	Individual	Support	No

Comments:

Dear Representative Johanson, Chair, Representative Kitigawa, Vice Chair, and Members of the Committee:

I support the intent of HB1781, but believe that it needs to be amended. I support the changes proposed by Steve Glanstein and ask the committee to approve the bill with those changes.

Respectfully submitted,

Anne Anderson

HB-1781

Submitted on: 2/1/2022 3:54:07 PM

Testimony for CPC on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Laurence Sussman	Individual	Support	No

Comments:

Dear Representative Johanson, Chair, Representative Kitigawa, Vice Chair, and Members of the Committee:

I support the intent of HB1781, but believe that it needs to be amended. I support the changes proposed by Steve Glanstein and ask the committee to approve the bill with those changes.

Respectfully submitted,

Laurence Sussman

HB-1781

Submitted on: 2/1/2022 4:41:31 PM

Testimony for CPC on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Carol Walker	Individual	Support	No

Comments:

I support this bill if it includes Steve Glanstein's amendments.

Carol Walker

HB-1781

Submitted on: 2/1/2022 5:47:50 PM

Testimony for CPC on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Laura Bearden	Individual	Support	No

Comments:

Dear Representative Johanson, Chair, Representative Kitigawa, Vice Chair, and Members of the Committee:

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Respectfully submitted,

Laura Bearden

HB-1781

Submitted on: 2/1/2022 6:52:03 PM

Testimony for CPC on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
mary freeman	Individual	Support	No

Comments:

Dear Representative Johanson, Chair, Representative Kitigawa, Vice Chair, and Members of the Committee:

I support the intent of HB1781, but believe that it needs to be amended. I support the changes proposed by Steve Glanstein and ask the committee to approve the bill with those changes.

Respectfully submitted,

Mary S. Freeman

Ewa Beach

HB-1781

Submitted on: 2/1/2022 7:01:04 PM

Testimony for CPC on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Jeff Sadino	Individual	Comments	No

Comments:

I am offering **COMMENTS** on HB1781.

I do not take a position on cumulative voting. I write because the current voting structure is poorly understood. Between proxy “as a whole”, proxy “in equal parts”, and cumulative voting, members of a Community Association often are not fully aware of how their vote actually works.

After every Association election I have participated in, at least one Owner will express confusion over how the vote was calculated. This lack of understanding also exists at the Managing Agents. I have an email thread over 20 emails long where the Managing Agent was unable to explain how the vote percentages were determined.

I ask that better explanations or examples be provided to Owners for how voting works, including during the actual meeting itself. I also ask that voting be allowed to be done remotely so that an Owner does not have to be physically present to vote, a significant challenge for our island community.

Thank you,

Jeff Sadino

RE: Committee on Consumer Protection & Commerce

February 3, 2022

HB-1781

Submitted on: 2/1/2022 9:18:04 PM

Testimony for CPC on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Chandra Kanemaru	Individual	Support	No

Comments:

Dear Representative Johanson, Chair, Representative Kitagawa, Vice Chair, and Members of the Committee:

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Respectfully submitted,

Chandra R. Kanemaru

Country Club Village, Phase 2

AOAO Board Director, Secretary

HB-1781

Submitted on: 2/2/2022 8:11:05 AM

Testimony for CPC on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Paul A. Ireland Koftinow	Individual	Support	No

Comments:

Dear Representative Johanson, Chair, Representative Kitigawa, Vice Chair, and Members of the Committee:

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Respectfully submitted,

Paul A. Ireland Koftinow

HB-1781

Submitted on: 2/2/2022 8:30:26 AM

Testimony for CPC on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Lance S. Fujisaki	Individual	Support	No

Comments:

Dear Representative Johanson, Chair, Representative Kitigawa, Vice Chair, and Members of the Committee:

I support the intent of HB1781, but believe that it needs to be amended. I support the changes proposed by Steve Glanstein and ask the committee to approve the bill with those changes.

Respectfully submitted,

Lance Fujisaki

HB-1781

Submitted on: 2/2/2022 12:47:56 PM

Testimony for CPC on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Joshua Hanzel	Individual	Support	No

Comments:

February 1, 2022 Honorable Rep. Aaron Ling Johanson, Chair Honorable Rep. Lisa Kitagawa, 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 SUPPORT OF HB1781 with Amendments; Hearing Date: February 3, 2022 at 2:00 p.m. Conference room 329 and Zoom; sent via Internet Aloha Rep. Johanson, Chairman; Rep. Kitagawa, Vice-Chair; Committee Members, Thank you for the opportunity to provide testimony on this bill. I have a prior obligation and may not be at the hearing in time to provide verbal testimony. 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 2,000 meetings in 39 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 governing documents and meetings of numerous condominiums, cooperatives, and Planned Community Associations. This testimony is presented in SUPPORT OF HB1781 with Amendments. The bill is a companion to SB2685 which contained much of the same information as 2020 HB2563 HD1 SD11 approved by the 2020 Consumer Protection and Health Committee. Progress on the 2020 bill was halted due to the COVID-19 shutdown. 2 1 Internet link: 2020 HB2563 HD1 SD1 2 The original 2020 bill was approved through the work and support of the Hawai‘i State Association of Parliamentarians; Hawaii Chapter of the Community Associations Institute; Associa; Law Offices of Mark K. McKeller, LLC; and several stakeholders. Rep. Aaron Ling Johanson, Chairman; Rep. Lisa Kitagawa, Vice-Chair House Committee on Consumer Protection and Commerce (CPC) – HB1781 Hearing Date: February 2, 2022; Hearing Time: 9:30 a.m. Page 2 of 4 pages The 2020 CPH Committee issued a report (2020 SCR 34493) which stated in part: “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 meeting notices. 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 stakeholders have had an opportunity to discuss potential amendments to clarify the cumulative voting procedures for planned community associations, similar to those found in the statutes governing condominium associations. Accordingly, amendments to this measure are necessary to incorporate this consensus language.”

HB1781 is slightly different from the 2020 bill that was coordinated with numerous stakeholders. We submitted similar amendments to the Senate CPH on the companion bill SB2685. We recommend that Sections 1 and 4 of the current bill be amended as follows: SECTION 1. [No changes proposed to §421J-A] “§421J-B Removal of directors elected by members or directors. (a) The members may remove one or more directors elected by them [cumulative voting by the members] with or without cause unless otherwise provided in the articles of incorporation, declaration, or bylaws. If the removal is successful, the replacement director or directors shall be elected for the remainder of the removed director's or directors' term or terms in accordance with all applicable requirements and procedures in the articles of incorporation, declaration, or bylaws, and this chapter. If [a] the replacement director or directors [is] are not elected at the meeting [at] in which the removal occurred, notwithstanding anything [any provision] to the contrary in the articles of incorporation, declaration, or bylaws, the board may fill vacancies to serve until the next annual or duly noticed special association meeting.” [Wording in current bill would have precluded removing members who were not elected by cumulative voting.] (b) If a director is elected by a class, chapter, or other organizational unit, or by region or other geographic grouping, the director may be removed only by the members of that class, chapter, unit, or grouping. (c) Except as provided in subsection (j), a director may be removed under subsection 3 Internet link: 2020 SCR3449 Rep. Aaron Ling Johanson, Chairman; Rep. Lisa Kitagawa, Vice-Chair House Committee on Consumer Protection and Commerce (CPC) – HB1781 Hearing Date: February 2, 2022; Hearing Time: 9:30 a.m. Page 3 of 4 pages (a) or (b) only if the number of votes cast to remove the director would be sufficient to elect the director at a meeting to elect directors. (d) If cumulative voting is authorized at the meeting, the director may [shall] not be removed if the number of votes, or if the director was elected by a class, chapter, unit, or grouping of members, the number of votes of that class, chapter, unit, or grouping, sufficient to elect the director under cumulative voting is voted against the director's removal. (e) A director elected by members may be removed by the members at any regular or special meeting; provided that: (1) The board of directors recommends removal of one or more directors; or (2) A member delivers to the secretary of the association or managing agent a petition for removal of one or more directors that: (i) is signed by members representing at least one hundred units or members who own at least twenty-five per cent of the total number of units in the planned community, whichever is less; (ii) contains the printed name, identification of the unit, and address of the signing members and dates of their signatures; (iii) is delivered within seven days after the posting of notice of intent to distribute proxies that includes the election of directors in accordance with section 421J-4(e), or within seven days after the posting of a notice of intent to distribute a notice of a meeting under section 421J-3.5(f); and (iv) the petition is submitted within one hundred twenty days of the earliest signature. [Suggested separate paragraphs for clarity and deadline to avoid multiple use of the same petition.] [(1) The member delivers to the secretary of the association or managing agent a petition for removal of one or more directors, signed by members representing at least one hundred units or members who own at least twenty-five per cent of the total number of units in the planned community, whichever is less, and containing the printed name, identification of the unit, and address of the signing members and dates of their signatures; and] [(2) The petition is so delivered within seven days after the posting of a notice of intent to distribute proxies that include the election of directors in accordance with section 421J-4(e) or within seven days after the posting of a notice of the meeting under section 421J-3.5(e).] (f) If the board of directors recommends removal or a timely petition is delivered to the secretary of the association or managing agent, the secretary or

managing agent shall include the proposed removal in the notice of the meeting. (g) In computing whether a director is protected from removal under subsections (b) Rep. Aaron Ling Johanson, Chairman; Rep. Lisa Kitagawa, Vice-Chair House Committee on Consumer Protection and Commerce (CPC) – HB1781 Hearing Date: February 2, 2022; Hearing Time: 9:30 a.m. Page 4 of 4 pages through (d), it should be assumed that the votes against removal are cast in an election for the number of directors to the class to which the director to be removed belonged at the meeting at which the removal is proposed. [We noted minor non-substantive wording changes were made.] (h) An entire board of directors may be removed under subsections (a) through (c). [We noted minor non-substantive wording changes were made.] (I) If, at the beginning of a director's term on the board, the articles of incorporation, declaration, or bylaws provide that the director may be removed for missing a specified number of board meetings, the board may remove the director for failing to attend the specified number of meetings. The director may be removed only if a majority of the directors then in office vote for the removal. SECTION 4. [We noted minor non-substantive wording changes were made for clarity and updates made by 2021 Act 83.] We request that you pass the bill with the amendments provided. 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

HB-1781

Submitted on: 2/2/2022 1:42:52 PM

Testimony for CPC on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Joseph Froman	Individual	Support	No

Comments:

Dear Representative Johanson, Chair, Representative Kitigawa, Vice Chair, and Members of the Committee:

I support the intent of HB1781, but believe that it needs to be amended. I support the changes proposed by Steve Glanstein and ask the committee to approve the bill with those changes.

Respectfully submitted,

Joseph Froman