



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

February 23, 2021

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 OPPOSITION to HB221; Hearing Date: February 25, 2021 at 2:00 p.m. in House Conf. conference room 329/videoconference; sent via Internet**

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

Thank you for the opportunity to provide testimony on this bill. Unfortunately, I had a prior annual meeting this afternoon so may not be unable to appear via videoconference.

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 38 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 HB221.

### **Summary of Bill:**

The Bill contains two significant changes in SECTION 1. They are:

1. Remove the mandate that proxies contain an option for owners to direct the majority of directors present at a meeting to vote their interest.
2. Make an absolute prohibition against any solicitation of proxies by a managing agent, resident manager or their employees, or the association's employees.

We will address each of these subsections:

## **1. Elimination of the Board Majority Proxy (Page 1, line 3 through Page 2, line 11)**

### **Current Status:**

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

1. solicit proxies for voting at association elections, or
2. 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:

1. name the board of directors, as a whole, based upon the decision of a majority of the directors present at a meeting;
2. name the board of directors to be split evenly among the directors present at a meeting;
3. name an individual; or
4. be restricted to quorum only.

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

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

### **Our position:**

The use of proxies has proved to be an important part of the association quorum and meeting process. If an Owner is comfortable with their board, the Owner currently has 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 a House bill presented in 2019 which received a lot of opposition by community leaders (HB347). It passed the House and was not heard by the Senate Committee on Commerce and Consumer Protection.<sup>1</sup>

On February 3, 2021, the Senate Committee on Commerce and Consumer Protection deferred a similar bill (SB688).

**On February 10, 2021, the CPC deferred a bill with similar wording (HB495).**

I was a condominium owner in 1979-1985 and during this time many proxies contained a place for appointing the president. **Prior to 1984, there was no board majority option. The result was that association presidents received most of the proxies and controlled the meeting.**

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

**The current system has worked well and has also been incorporated into Planned Community Associations.**

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

## **2. Absolute Prohibition on Solicitation (Page 2, lines 12-19)**

**Current Status:**

The existing statute, HRS §514B-123(j) prohibits proxy solicitation by a:

- (a) managing agent,
- (b) resident manager,
- (c) or their employees

for use by the association **that retains the managing agent or resident manager.** It also prohibits the managing agent or resident manager from casting any proxy vote at any association meeting except for the purpose of establishing a quorum.

The proposed change is to prohibit proxy solicitation by a:

- (a) managing agent,
- (b) resident manager,
- (c) or their employees, or

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<sup>1</sup> This section of the bill also similar to 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 on Commerce and Consumer Protection).

(d) the association's employees

for use by the association. It retains the prohibition of the managing agent or resident manager from casting any proxy vote at any association meeting except for the purpose of establishing a quorum.

**This proposed change to strike out the clause “that retains the managing agent or employs the resident manager” (Page 2, lines 16-17) would prohibit all individuals and entities in these categories from soliciting any proxies from any unit owners.**

**Proxy distribution is commonly done by managing agents throughout the state in the form of a notice of meeting and proxy sent to all owners. Notices usually request owners to send in their proxies. This is solicitation. The bill would create uncertainty whether a managing agent could even distribute proxies.**

**The solicitation is not for the managing agent or the resident manager; it is for the owner to select anybody they wish who will be present at the meeting in order to conduct legitimate business.**

When an association doesn't have enough proxies for a quorum, it is common for management to solicit more proxies, regardless of who is named as a proxyholder.

**Our position:**

The changes proposed in this subsection are an unnecessary prohibition. We believe they are not in the best interest of condominium associations or their owners. There is no good or compelling reason to make these proposed changes.

**We ask that the Committee 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](mailto: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/Amendments

**HB-221**

Submitted on: 2/23/2021 12:45:39 PM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Atlanta Dove	Honolulu Tower AOA	Oppose	No

Comments:

Honolulu Tower is a 396 unit condominium, built in 1982, located at Beretania and Maunakea Streets. The Board of Directors of the Honolulu Tower Association of Apartment Owners met on February 1, 2021 at which time it voted unanimously to oppose this bill. sociastionlease accept this as testimony in strong opposition to this bill. Almost every year we submit testimony in opposition to this issue.

On Wednesday, Feb. 24, 2021, we are conducting the Association's annual meeting. We again expect that most proxies will be given to the board as a whole. When individual unit owners do not solicit proxies because they may be candidates for the board, this is the case. This option has existed for years. It works. There is also the chance that owners will not return their proxies if this option is removed. Should that happen, there could very well be a lack of quorum.

Currently, the law prohibits managing agents and resident managers from soliciting proxies for their own use. It appears that the proposed amendment on page 2, lines 14-15, would prohibit them from sending the proxy mailing to owners. If that interpretation is correct, who is expected to prepare the packet and send the proxies to the owners? This is part of the responsibility of the property manager or resident manager, it is part of what they are paid to do.

**HB-221**

Submitted on: 2/23/2021 12:46:47 PM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Resident Manager	Honolulu Tower AOA	Oppose	No

Comments:

Honolulu Tower is a 396 unit condominium, built in 1982, located at Beretania and Maunakea Streets. The Board of Directors of the Honolulu Tower Association of Apartment Owners met on February 1, 2021 at which time it voted unanimously to oppose this bill. sociastionlease accept this as testimony in strong opposition to this bill. Almost every year we submit testimony in opposition to this issue.

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February 8, 2021

Chair Aaron Ling Johanson  
Vice Chair Lisa Kitagawa  
Committee on Consumer Protection and Commerce  
415 South Beretania Street  
Honolulu, Hawaii 96813

Re: HB 221 OPPOSE

Dear Chair Johanson, Vice-Chair Kitagawa and Committee Members

HB 221, purports to amend the requirements for a condominium association's standard proxy form by deleting the option for an owner to give his/her proxy to the Board of Directors as a whole.

There appears to be no good or practical reason to eliminate that option. It is difficult to imagine how this provision could result in problems for an association, and in more than 40 years of working with condominium associations I have yet to hear of a problem resulting from the whole-Board proxy voting option. If such a problem has been identified, it would make sense to rectify the specific problem rather than discard this proven and trusted voting protocol.

The vast majority of condominium associations are very well managed and the owners are well represented by their Boards of Directors. Usually the owners are very satisfied with the performance of the management and their Board of Directors. Consequently, by placing their trust in the judgment of these directors they are exercising their right to express their preference for a continuation of good financial and administrative management.

Removal of this option would serve only to undermine the successful self-governance provisions of 514B by eliminating the one option used most frequently by condominium owners.

The clarification that the Managing Agent, employees, Resident Manager or Association employees shall not solicit proxies from owners is not really needed since that has been the practice in the association management industry for decades.

CAI respectfully requests that the Committee defer this bill.

Very truly yours,

Allen Wilson  
Allen Wilson

House of Representatives

Committee on Consumer Protection and Commerce  
Thursday, February 25, 2021 at 2:00 p.m.

To: Chair Aaron Ling Johanson and Vice-Chair Lisa Kitagawa

Re: HB221, relating to Condominiums

Aloha Chair Johanson, Vice-Chair Kitagawa, and members of the House Committee on Consumer Protection and Commerce,

I am Lila Mower, leader of Hui 'Oia'i'o, the Condo Owners Coalition of Hawaii, and I **STRONGLY SUPPORT HB221** based on my experiences as a board member and officer of three separate condo associations during 40 years of condo ownership, and on the experiences of Hui colleagues.

I will not reiterate my testimony on an earlier measure heard by your Committee which was partially like this measure but add the following:

The condo industry itself acknowledged in its most recent national survey that 30% of homeowner association residents do not rate their associations as "positive," and locally, this statistic has been demonstrated by associations in which owners faced unwieldy assessments and/or crippling increases in maintenance fees.

In some extreme but not uncommon local cases, condo owners have faced year-over-year increases in maintenance fees of 48.8%, special assessments of up to \$100,000 per unit, or a \$21 million special assessment one year followed by another \$11 million special assessment a few years later, which all illustrate financial challenges that are overwhelming except for the wealthiest owners. In these associations, it was not unusual to find the board president or the board-majority governing the association for decades.

With so many condo owners harmed by poor condo governance exemplified by deficient fiscal planning, it was mystifying that "bad" directors continued to be re-elected—until the election process was examined to determine what kept these boards and their directors in power.

It only takes two or three directors to comprise the majority of a required quorum of a typical condo board of five, seven, or nine members, even in the largest associations. These few can control the association's business and the destiny of hundreds of owners.

The proxy assignment option "to the Board as a whole" serves no other purpose than to amplify the power of the so-called majority of the board (which can be as few as two or three people) to determine for the entire association who their directors will be while simultaneously depriving and defeating candidates who may have garnered even more individual owners' votes than these incumbent directors.

Further, these incumbent directors retain their seats by using proxies which are often solicited from apathetic, absentee, or ignorant owners who are advised to assign their proxies to the "board as a whole" by association and management employees whose livelihoods depend on the incumbents seeking reelection.



Some directors rule these associations for years, even decades, with little regard for owners as these owners are not their constituents. When “the Board as a whole” is an option, the Board’s constituency is itself and not the members of the association.

Eliminating the proxy assignment option “to the Board as a whole” is opposed by those who claim that the measure will remove an owner’s right to choose, however, HB221 still preserves the option for an owner to assign his proxy to the Board, but to those directors present at the meeting with the vote to be shared with each director receiving an equal percentage; or to assign his proxy to a specific individual; or to allow that proxy to be used for quorum purposes only.

Thus, the argument of those who oppose HB221 is specious.

HB221 allows for a competitive but fair election of directors who are representative of owners and protects the most important right given to condominium owners, the right to have fair and honest elections. Please pass this measure.

Mahalo.

**HB-221**

Submitted on: 2/23/2021 7:11:53 PM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Mike Golojuch, Sr.	Palehua Townhouse Association	Support	No

Comments:

Our association supports HB221. Please pass this bill.

Mike Golojuch, Sr., President

Palehua Townhouse Association

**HB-221**

Submitted on: 2/23/2021 8:50:25 PM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jane Sugimura	Hawaii Council for Assoc. of Apt. Owners	Comments	No

Comments:

HCAAO objects to that part of the Bill that would delete the option for a owner to give his or her proxy to the board as a whole and supports that part of the bill that clarifies that no managing agent, resident manager or their employees, or the association's employees, shall solicit proxies from owners.

**HB-221**

Submitted on: 2/25/2021 10:06:13 AM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Richard Emery	Associa	Oppose	No

Comments:

This seems to come up every year. Associations are similar to businesses and owner should be able to give their proxy to whomever they want. Often owners are not involved in the day to day decisions of the board but like how it operates. Many times they do not live in Hawaii. I believe the Board is in the best position to make a decision when entrusted voluntarily with an owner proxy. There would be far more adverse effects and more politics if this option were removed. **STRONGLY OPPOSE.**

**HB-221**

Submitted on: 2/23/2021 12:13:15 PM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
lynne matusow	Individual	Oppose	No

Comments:

Please accept this as testimony in strong opposiiton to this bill. You are trying to fix a non-existent problem. As a condo owner, resident, and board member I can attest to the fact that many proxies are given to the board as a whole. Owners often do not know the individual names of the board members. But they trust the board as a whole to properly execute their proxies. This system has existed for years and works. Almost every year there is unsuccessful legislation to excise this well liked option. I had hoped there would be no hearing on this issue. Stupid me. There is also the chance that owners will not return their proxies if this option is removed, possibly resulting in lack of quorum.

Also troubling is the language that would forbid managing agents, resident managers, or their employees from soliicting proxies. Current language makes it clear that they cannot solicit for their own use. With the proposed change it implies that the proxy mailings, etc. cannot even be prepared or sent to owners by the managing agent. If that is the case, who will be charged with this duty? Was this thought through? Does the introducer understand how the process works?

Lynne Matusow

**HB-221**

Submitted on: 2/23/2021 12:34:26 PM

Testimony for CPC on 2/25/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dale Arthur Head	Individual	Support	No

Comments:

**Testimony in favor of passing HB221 -**

Aloha House Committee on Consumer Protection & Commerce -

Chair Aaron Ling Johanson, Vice Chair Lisa Kitagawa, and members Henry J.C. Aquino, Sharon E. Har, Mark J. Hashem, Sam Satoru Kong, John M. Mizuno, Dee Morikawa, Richard H.K. Onishi, David A. Tarnas, and Lauren Matsumoto.

1. This same matter was raised two years ago (2019) via HB347 / SB724. The bills had been introduced soon after I had written an email letter (dated 14 December of 2018) to both House and Senate committees charged with Consumer Protection (and condo issues). My impetus was the anti-democratic gaming of Home Owners Associations elections by some of the property management companies. They pull this stunt off by wrongfully, and in total secrecy, funneling owners voting Proxies (which had been marked 'for the Board) to candidates, almost always incumbents, which the cognizant company manager wishes to keep on a Board of Directors. Attendees at meetings and other candidates for election are not apprised of this skullduggery and so the election is rigged without their knowledge. Part of the concealment includes production of an Election Certificate omitting this information as well as making no mention of it in the 'Official Minutes'. By keeping intact their preferred 'team' or 'inner circle' on a Board of Directors, they don't have to worry about enduring the discomfort of competitive bids from other companies, usually. When rigged HOA elections become an annual ritual, profits are pretty much guaranteed, in my opinion.
2. You may be aware that HB347 passed out of the House without a single 'Nay' vote and yet was blocked and killed in the Senate.
3. For my Home Owners Association 2019 election for our Board of Directors, I had received a total of **74** owners Proxies. Two other candidates up for reelection included our President with just 1 assigned Proxy and the Vice President who had 7. Yet, in an Annual Meeting with just 47 attendees, the Election Certificate shows I had received 48% of 'votes' to 49% for the President, which, was a mathematical impossibility. Getting these metrics required performing a post election examination audit of Proxies at the management company office. The company raises multiple obstacles to dissuade owners from examining the election materials. Quite

frankly, this is corruption, in my opinion. I had to schedule 3 separate visits and spend 5 hours doing a page by page review and was only allowed to make hand-written notes. Riding the Bus in from Waiane, 3 round-trips, took 9 hours.

4. Our Hawaii state legislature should require HOAs to allow their members to vote in elections even when they cannot attend in person, which, happens to be the majority of 'owners' as they are usually investors who do not live on-site in condo complexes (many reside outside of Hawaii).

5. Please pass HB221, and, ask why the Senate refuses to schedule a Hearing for this bill.

Sincerely, **Dale A. Head** (808) 696-4589 helpmakahasurfside@gmail.com

PS - Hard to believe that a state legislature, of which most members are of the Democrat Party, does not bother to safeguard the right of property owners to vote in their own condo associations. Two words apply, 'Never Assume'. As we have the US Post Office, the Internet, and other electronic means available to accomplish voting, offering only a 'Proxy Form' to those who cannot attend in person constitutes a creative form of voter suppression.

**HB-221**

Submitted on: 2/23/2021 12:39:35 PM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Marcia Kimura	Individual	Support	No

## Comments:

The condo industry and legislators persist in claiming that condo associations are self governing, despite the absence of this assessment in courts. If they are independent, then power to control policy decisions in each condo must remain with owners who should be able to elect their directors according to fair, equitable standards of voting for their board members, not those that allow recurrent terms of a select few. I urge the legislators to support this.



**HB-221**

Submitted on: 2/23/2021 1:39:44 PM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Nancy Manali-Leonardo	Individual	Support	No

Comments:

I am in support of HB 221.

Nancy Manali-Leonardo

02-23-2021

**HB-221**

Submitted on: 2/23/2021 2:36:48 PM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Philip Nerney	Individual	Oppose	No

Comments:

It is an owner's choice whether to give a proxy to anyone. There is no reason to deny owners the option to let a majority of a board decide how to vote a proxy.

If the concern is concentration of power, then limiting owner options is more likely to concentrate power in the hands of the person who most actively collects proxies.

HB 221 should be deferred.

**HB-221**

Submitted on: 2/23/2021 3:47:57 PM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
JOY SCHOENECKER	Individual	Oppose	No

Comments:

I oppose removing the proxies for the Board as Whole

**HB-221**

Submitted on: 2/23/2021 7:26:20 PM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jeff Sadino	Individual	Support	No

Comments:

I SUPPORT this Bill.

It is not clear what benefits voting as a whole is trying to provide and so it should be removed. Voting by percentages preserves all rights and benefits of the Owners.

While I fully support the idea that Owners need to be involved in the governance of their Association and the Board members are supposed to be acting in the best interest of the Association, in practice this is not what happens.

The opponents to this Bill say that Board members know what is best and know more about what is going on with the Association than anybody else and because of this an Owner should be allowed to give their vote to Board to use as they see best. In reality, during our elections in January, a brand new Owner was elected to the Board over a very long-term and much better qualified Owner. The first thing she said was how she could do as little work as possible because she was busy with other things in her life. The only reason she was elected to the Board is because the Board majority saw her as an ally that would vote however they wanted her to vote.

Owner participation in my Board meetings is almost non-existent. The Board members who hold a majority target for recruitment ignorant Owners or brand new Owners because they know that the new Board members will defer to the Board members who are already in power. Additionally, the Resident Manager is in a relationship with one of the Board members and so the other Board members are afraid to vote against her for fear of passive retaliation from the Resident Manager.

Voting is the most powerful tool we have for governance. The above are just a couple of examples of how voting as a whole is abused in practice. There are many more.

Voting in equal percentages preserves all rights of the Owners. Voting as a whole does nothing except tread on the Owners who are in the minority and creates an extremely imbalanced playing field for them.

Voting as a whole removes a large amount of accountability for those that we elect and so this Bill should be PASSED.

Thank you for the opportunity to testify,

Jeff Sadino

**HB-221**

Submitted on: 2/23/2021 10:11:25 PM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jade Mariano	Individual	Support	No

Comments:

I support this bill because it will help begin to level the playing field for homeowners.

**HB-221**

Submitted on: 2/24/2021 6:36:14 AM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Dawn Smith	Individual	Support	No

Comments:

This measure will greatly obstruct election fraud which is prevalent in condo associations. It also makes the one-vote that each condo owner unit has - equal to one vote. In the condo world, the most important thing an owner can do is vote for beneficent volunteers to govern their complexes.

My name is John Morris and I am testifying against HB 221. The bill seems to serve no worthwhile purpose and will, in fact, complicate the annual meeting process by preventing owners from supporting their board of directors as a whole if the owners wish to do so.

Many owners who are not actively engaged in the management and operation of the condominium project have very little information about who is serving on the board and simply see the results of board action. Moreover, almost all board decisions are made based on the decision of a majority of the directors present at a board meeting because that is the basic principle of the law and Robert's Rules. Therefore, if the owners like what the board is doing, they essentially agree with the actions of a majority of the board members and should be able to give their proxies to be voted by a majority of the board members.

In contrast, decisions of the board are not individual decisions by each director separately because the law requires that the decisions by the board must be made by majority of those directors present at the meeting. Therefore, if anything, it would be better to eliminate the box allowing proxies to be given individually to the directors present at the annual meeting, with each director sharing in the votes represented by the proxies.

If the owners agree with the actions of a majority of the board, eliminating the ability of owners to give their proxies to be voted by a majority of the board makes it more difficult for owners to support their board. If owners don't agree with what the majority of the board members are doing, they can give their proxies to a specific individual, as the law clearly permits.

Under that analysis, forcing owners to divide their proxies between the members of the board who show up at the annual meeting provides very little benefit to owners. That is because the association is not run by the actions of individual board members but by decisions of the majority of the board members.

If the committee would like to benefit associations and encourage owners to become more involved in the governance of their associations, the committee should eliminate the box allowing owners to give their proxy for quorum purposes only. This only encourages apathy amongst owners and often undermines the ability of those owners who do attend the annual meeting to get things done. That is because there are often insufficient votes to legally vote for particular issues because so many proxies are given for quorum purposes only and cannot be voted affirmatively.

Finally, prohibiting association employees or managing agents from soliciting proxies from owners may undermine the ability of an association to make quorum at the annual meeting. If there are a lot of apathetic owners who don't even bother to send in their proxies, it is often the employees or the managing agent who are forced to badger the owners to send in a proxy so the meeting can go forward with a quorum.

That is what the wording in the current law recognizes – i.e., that association employees and managing agents may have to contact owners to send in proxies not for their own use but so that the meeting can go forward. Eliminating the ability of association employees and managing agents to do that will serve no real benefit.



Thank you for this opportunity to testify.

John Morris

**HOUSE of REPRESENTATIVE**  
**Committee on Commerce and Consumer Protection**  
**Thursday, February 25, 2021 at 2:00 p.m.**

To: Chair Aaron Ling Johanson and Vice-Chair Lisa Kitagawa

RE: HB221 Condominium Associations; Proxy Voting: 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. Clarifies that no managing agent, resident manager, or their employees, or the association's employees, shall solicit any proxies from any unit owner of the association.

Aloha Chair Johanson, Vice-Chair Kitagawa, and members of the House Committee on Commerce and Consumer Protection: Henry JC Aquino, Sharon E. Har, Mark J Hashem, Sen. Satoru Kong, John M. Mizuno, Dee Morikawa, Richard HK Onishi, David A. Tarnas, Lauren Matsumoto.

I am Lourdes Scheibert and I STRONGLY SUPPORT HB221 and this is why:

**Community Associations Institute (CAI)**

Community Associations Institute publication April 2009 “Stupid Things Board Members Say” demonstrates will full acts of the majority board members to ignore the governing documents. I can testify to the following quote from this article:

“We don’t have the authority to amend the House Rules but none of the owners are smart enough to know this. Let’s just do it and if we get caught then we will deal with it.” To deliberately do something that you are empowered to do is wrong. To take advantage of the lack of knowledge owners may have is wrong. Board members must follow the correct process and do the right thing.” (Attached for your convenience is the publication Volume 23 Issue 2 April 2009)

The majority board members of a rogue boards can and do use the proxy assignment to the board as a whole to advance their personal agendas. CAI teaches to avoid personal agendas and work for the good of the association.

**ACT 238 Planned Community Associations passed in 2016**

Condominium Law 514B should pass into law, the same as ACT 238 that amends various proxy statement requirements for planned community associations to promote communication from prospective board of directors candidates to all owners when proxies are used for elections of directors; standardize the proxy form; and prohibit managing agents, resident managers, and employees thereof from soliciting or casting proxy votes at meetings for the same association that employs their services unless it is for the

purpose of establishing quorum. Applies to proxy statements for meetings of an association occurring on or after October 1, 2016. (SD1) Attached for your convenience 421J-4 Proxies

HB221 goes a step further to delete the proxy to the board as a whole because this is an opportunity for rogue boards to do mischief as cited in CAI's article "Stupid Things Board Members Say".

**Yr 2019 HB347 HD1 Condominium Associations**

HB347 HD1 introduced by House Leader Saiki: Condominium Associations; Proxy Voting. 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.

HB347 passed by the HOUSE and referred to SENATE Consumer Protection Committee on 3/5/2019. However, SB724 companion to HB347 was not scheduled for a hearing. HB347 died. We missed our opportunity to submit our testimonies. This was our chance to be heard. Attached for your convenience HB347 HD1 from 2019 Archives.

Please pass HB221.

Sincerely,

Lourdes Scheibert  
Condominium Owner  
Former Condominium Volunteer Director

Attach:

CAI article "Stupid Things Board Members Say"  
2016 ACT 238 Planned Communities\_421J-4 Proxies  
Yr 2019 HB347 HD1 Condominium Associations; Proxy Voting

Google on the Internet: "Stupid Things Board Members Say" for the entire article.

## STUPID THINGS BOARD MEMBERS SAY

By Lillian McCarthy, AMS®, PCAM®

In the past few months the following are stupid things board members have said. Some of these statements will leave your mouth hanging, others will clearly show some board members' lack of responsibility and understanding of the duties and the members they service. Board members need to be very cautious in what they say and how they say it. Board members are standard bearers and need to think before speaking. Always keep a cool head and do the right thing.

"Let's vote by e-mail. We can ratify it at our board meeting."

*This statement and action if permitted violates the statutes which provide for open deliberation with participation by all members of the association.*

"I don't understand what the big deal is about following the rules."

*The statutes were written to protect the owners and rules are meant to be followed. This board member should resign.*

"Owners are not permitted to speak during the board meeting."

*This is a clear violation of the statute which permits all owners to participate in all deliberation, with the exception of executive session, unless a quorum of the board votes otherwise. Why does the board want to stifle owner participation?*

"Let's fudge the reserve study." *An honest attempt must be made to ensure the accuracy of the reserve study. The statute was written to provide for owners to contribute their fair share to the capital improvements for the next twenty years.*

"Can't you make the maintenance fee increase smaller?" *Maintenance fee increases are determined by the operating budget and reserve study needs. To "make the maintenance fee increase smaller" means to manipulate the budget and/or reserve study number which could place the association at financial risk.*

"We didn't post notice of the meeting because it was raining." *The statute requires notice be posted in prominent locations 72 hours prior to the meeting. Boards that do not adhere to the posting notice should be aware that if the meeting is conducted, all decisions made at the meeting may be challenged and invalidated.*

"I don't like the legal opinion. Can't we disregard it?" *A legal opinion should not be disregarded. Boards should keep in mind that a legal opinion is a professional opinion and whether the board appreciates the opinion or not, disregarding the opinion may be considered not following the good business judgment rule and in the case of a conflict, the board members may be held personally liable.*

"We need a lawsuit. Let's have a lawsuit." *This board member should resign and has no right serving the community as a board of director. To encourage lawsuits and not resolve conflicts without attorneys, make poor business practice.*

## STUPID THINGS BOARD MEMBERS SAY *continued from page 1*

"If we run short in our budget, we can special assess."

*A special assessment is not a tool that the board should be using "just in case." Boards need to understand that there are criteria that must be followed and a resolution passed before a special assessment may be levied against the owners, unless the owners first approve of the special assessment.*

"Build a special assessment into the budget."

*Budgets cannot be crafted with a special assessment built in. It is also very problematic for boards to special assess often. Special assessments may be an indication that the budget was not properly crafted.*

"If we have a maintenance fee increase the owners' will get mad at us."

*The Board normally has the responsibility to make sure that enough revenues are collected so that the expenses are covered. To be more concerned that the owners will get mad than to ensure the financial health of the association is problematic.*

"What is fiduciary duty?"

*Any board member that does not know the definition of "fiduciary" needs to look up the meaning, understand the meaning, and acknowledge that this higher duty of trust is a prerequisite of the position. Board members need to subordinate their wants for the good of the entire membership and not violate this level of trust.*

"I didn't know the resident manager/general manager did not have a fiduciary duty."

*The resident or general manager has a duty of loyalty to the company but does not have a fiduciary duty to the membership.*

"Since I can't make the board meeting, I'll vote by proxy."

*The statutes do not permit board members vote by proxy.*

"Don't file a workers' comp claim even though the doctors said the injury is work related."

*Why would a board member want to intentionally violate the law? A company has seven days to file a workers' comp claim and if the medical provider determines the injury or illness is work related, do not deny the employee the right to file the claim.*

"Don't micromanage. Let the resident manager decide how much of a raise each employee should receive."

*The board has a duty to set up the structure and ensure all employees are treated equally and fairly. THERE MUST BE OVERSIGHT and the board cannot delegate responsibility.*

"We don't need a quorum for the board meeting. Let's have the meeting anyway."

*The governing documents normally dictate what percent is quorum. Do not attempt to have a board meeting and make decisions without a quorum present. Any decision made by the board of directors when there is no quorum can be challenged and invalidated.*

"The property manager should be buying the toilet paper for our employees and doing the job of the resident manager when he is out ill."

*The property manager has his/her own job. The board of directors is responsible to ensure that there is a manager in charge and supervision of the employees (if any) is provided. Do not expect the property manager to fill in for the resident manager.*

"Shut up and sit down."

*Never tell owners to shut up and sit down. Not only is this disrespectful, it lacks common*

courtesy; hear the owner out and look for an amiable solution.

“The President doesn’t have a vote.” According to Robert’s Rules, if the chairperson (normally the President) is part of the assembly, then the president does have a vote. By chairing the meeting, the President does not give up his/her right to vote.

“I don’t like that owner. Let’s not approve his alteration.” This is clearly discrimination and subject to a potential lawsuit including a Hawaii Civil Rights Complaint. Board members must always place their own feelings aside and do what is right regardless of how they feel about the owner.

“I’m not going to give you my name.” Any board member that does not want to give another owner his/her name should resign. The vote of each board member must be recorded in the minutes so there is no reason to not stand behind your name.

“We don’t have the authority to amend the House Rules but none of the owners are smart enough to know this. Let’s just do it and if we get caught then we will deal with it.” To deliberately do something that you are empowered to do is wrong. To take advantage of the lack of knowledge owners may have is wrong. Board members must follow the correct process and do the right thing.

“Waive my late fee.” Board members do not have special privileges and all owners, regardless of whether you are a board member or not, are to be treated alike. If board members expect their late fees to be waived, then all owners should expect the same courtesy.

**About the author:** Lillian McCarthy works for Hawaiiana Management as a Management Executive. Lillian may be contacted at (808) 792-0506 or by e-mail at [lillianm@hmcmtg.com](mailto:lillianm@hmcmtg.com).

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# A BILL FOR AN ACT

RELATING TO PLANNED COMMUNITY ASSOCIATIONS.

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

1           SECTION 1. Section 421J-4, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "§421J-4 Proxies. (a) A proxy shall be in writing and  
4 shall be valid for only a specified meeting of the association  
5 and any adjournments of that meeting.

6           (b) A member of the association may give a proxy to any  
7 person or the board of directors as an entity, and the proxy may  
8 be limited as indicated by the member. No proxy shall be  
9 irrevocable unless:

10           (1) The proxy is coupled with a financial interest in the  
11 unit; or

12           (2) The proxy is held pursuant to a first mortgage of  
13 record encumbering a unit or an agreement of sale  
14 affecting a unit.

15           (c) To be valid, a proxy shall:

16           (1) Be delivered to the secretary of the association or  
17 the managing agent, if any, no later than 4:30 p.m. on



- 1 the second business day prior to the date of the  
2 meeting to which it pertains;
- 3 (2) Contain at least the name of the association, the date  
4 of the meeting of the association, the printed name  
5 and signature of the person or persons giving the  
6 proxy, the unit or units for which the proxy is given,  
7 and the date that the proxy is given; and
- 8 (3) [~~Contain~~] If it is a standard proxy form authorized by  
9 the association, contain boxes wherein the owner has  
10 indicated that the proxy is given:
- 11 (A) For quorum purposes only;
- 12 (B) To the individual whose name is printed on a line  
13 next to this box;
- 14 (C) To the board of directors as a whole and that the  
15 vote be made on the basis of the preference of  
16 the majority of the [~~board,~~] directors present at  
17 the meeting; or
- 18 (D) To those directors present at the meeting and the  
19 vote to be shared with each board member  
20 receiving an equal percentage.





1 (d) Any board of directors that [~~uses~~] intends to use  
2 association funds to distribute proxies that include the  
3 election of directors shall first post notice of its intent to  
4 distribute proxies in prominent locations within the project at  
5 least [~~thirty~~] twenty-one days prior to its distribution of  
6 proxies; provided that if the board receives within seven days  
7 of the posted notice a request by any owner for nomination to  
8 the board accompanied by a statement, the board shall mail to  
9 all owners either:

10 (1) A proxy form containing the names of all owners who  
11 have requested nomination to the board accompanied by  
12 their statements; or

13 (2) A proxy form containing no names, but accompanied by a  
14 list of names of all owners who have requested  
15 nomination to the board and their statements.

16 The statement shall [~~not exceed one hundred words,~~  
17 ~~indicating~~] be limited to black text on white paper and shall  
18 indicate the owner's qualifications to serve on the board [~~and~~]  
19 or reasons for wanting to receive proxies. If the board's  
20 notice of intent to distribute proxies states that the statement  
21 shall not exceed one hundred words, but a longer statement shall



1 be available on the Internet, then: the owner may provide a  
2 written statement, not to exceed one hundred words, together  
3 with a longer statement in an electronic file not to exceed one  
4 hundred kilobytes; and the mailing of the written statements by  
5 the association shall include an internet link informing owners  
6 that longer statements shall be available on the Internet. In  
7 all other instances, the statement shall not exceed one single-  
8 sided eight and one-half inches by eleven inches page and the  
9 association shall not be required to make a longer statement  
10 available on the Internet.

11 (e) Nothing in this section shall affect the holder of any  
12 proxy under a first mortgage of record encumbering an apartment  
13 or under an agreement of sale affecting an apartment.

14 (f) Nothing in this section shall prohibit the use of  
15 proxies for filling vacancies that occur after the notice of the  
16 annual meeting has been distributed.

17 (g) No managing agent or resident manager, or employee  
18 thereof, shall solicit, for use by the managing agent or  
19 resident manager, any proxies from any member of the association  
20 that retains the managing agent or employs the resident manager,  
21 nor shall the managing agent or resident manager cast any proxy



1 vote at any association meeting except for the purpose of  
2 establishing a quorum."

3 SECTION 2. This Act does not affect rights and duties that  
4 matured, penalties that were incurred, and proceedings that were  
5 begun before its effective date.

6 SECTION 3. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8 SECTION 4. This Act shall take effect upon its approval;  
9 provided that the proxy statement requirements in section 1 of  
10 this Act shall apply to proxies for meetings of a planned  
11 community association that occur on or after October 1, 2016.



**Report Title:**

Planned Community Associations; Proxy Statements; Requirements

**Description:**

Amends various proxy statement requirements for planned community associations to promote communication from prospective board of directors candidates to all owners when proxies are used for elections of directors; standardize the proxy form; and prohibit managing agents, resident managers, and employees thereof from soliciting or casting proxy votes at meetings for the same association that employs their services unless it is for the purpose of establishing quorum. Applies to proxy statements for meetings of an association occurring on or after October 1, 2016. (SD1)

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



## 2019 Archives

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# HB347 HD1



Measure Title: RELATING TO CONDOMINIUMS.  
 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. (HB347 HD1)  
 Companion: [SB724](#)  
 Package: None  
 Current Referral: CPH  
 Introducer(s): SAIKI

Sort by Date	Status	Text
1/18/2019	H	Pending introduction.
1/22/2019	H	Introduced and Pass First Reading.
1/22/2019	H	Referred to CPC, JUD, referral sheet 3
1/30/2019	H	Bill scheduled to be heard by CPC on Tuesday, 02-05-19 2:00PM in House conference room 329.
2/5/2019	H	The committee(s) on CPC recommend(s) that the measure be deferred until 02-07-19.
2/5/2019	H	Bill scheduled for decision making on Thursday, 02-07-19 2:30PM in conference room 329.
2/7/2019	H	The committees on CPC recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 11 Ayes: Representative(s) Takumi, Ichiyama, Aquino, Belatti, Cabanilla Arakawa, Cachola, Har, Kong, Mizuno, Onishi, Matsumoto; Ayes with reservations: none; Noes: none; and Excused: none.
2/12/2019	H	Reported from CPC (Stand. Com. Rep. No. 251) as amended in HD 1, recommending passage on Second Reading and referral to JUD.
2/12/2019	H	Deferred one day 02-13-19.
2/13/2019	H	Passed Second Reading as amended in HD 1 and referred to the committee(s) on JUD with none voting aye with reservations; none voting no (0) and Representative(s) Holt, McDermott, Nakamura, Ward excused (4).
2/20/2019	H	Bill scheduled to be heard by JUD on Friday, 02-22-19 2:05PM in House conference room 325.
2/22/2019	H	The committee(s) on JUD recommend(s) that the measure be deferred until Tuesday, 02-26-19.
2/22/2019	H	Bill scheduled for decision making on Tuesday, 02-26-19 2:00PM in conference room 325.
2/26/2019	H	The committees on JUD recommend that the measure be PASSED, UNAMENDED. The votes were as follows: 8 Ayes: Representative(s) C. Lee, San Buenaventura, Brower, McKelvey, Takayama, Yamane, Thielen; Ayes with reservations: Representative(s) Say; Noes: none; and 3 Excused: Representative(s) Creagan, Lowen, Morikawa.
2/28/2019	H	Reported from JUD (Stand. Com. Rep. No. 897), recommending passage on Third Reading.
2/28/2019	H	Passed Third Reading with Representative(s) Okimoto voting aye with reservations; none voting no (0) and Representative(s) DeCoite excused (1). Transmitted to Senate.
3/1/2019	S	Received from House (Hse. Com. No. 33).
3/1/2019	S	Passed First Reading.
3/5/2019	S	Referred to CPH.

S = Senate | H = House | D = Data Systems | \$ = Appropriation measure | ConAm = Constitutional Amendment  
 Some of the above items require Adobe Acrobat Reader. Please visit [Adobe's download page](#) for detailed instructions.

# HB347 HD1



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### All Versions of this Measure

[HB347\\_HD1](#)

[HB347](#)

### Committee Reports

[HB347\\_HD1\\_HSCR251](#)

[HB347\\_HD1\\_HSCR897](#)

### Testimony

**Filename**

[HB347\\_TESTIMONY\\_CPC\\_02-05-19](#)

[HB347\\_HD1\\_TESTIMONY\\_JUD\\_02-22-19](#)

### Hearing Notices

Comm	Room	Date/Time	Notice
CPC	329	2/05/2019 2:00 PM	<a href="#">View</a>
CPC	329	2/07/2019 2:30 PM	<a href="#">View</a>
JUD	325	2/22/2019 2:05 PM	<a href="#">View</a>
JUD	325	2/26/2019 2:00 PM	<a href="#">View</a>

Archives	Senate	House	Special Studies	Legislative Information	Links
2020	Committees	Committees	Click	Click	Hawaii Government Services
2019	Leadership	Leadership			Hawaii State Judiciary
2018	Members	Members			Legislative Reference Bureau
2017	Rules	Rules			Public Access Room
2016	Administrative and Financial Manual	Administrative and Financial Manual			Hawaii State Ethics Commission
2015	Caucus Website Policy	Website Policy			Office of the Auditor
2014	Majority Caucus Website	Majority Caucus Website			Office of the Ombudsman
2013	Ad Hoc Committee	Majority Caucus Blog			Office of Information Practices
2012	Daily Floor Actions	Minority Caucus Blog and Webpage			Office of Hawaiian Affairs
2011	Paperless Initiative	Attendance Sheets			City and County of Honolulu
2010	Webcasts - Pilot Project	Journal			County of Maui
2009		Members of the House 1959-2009			County of Kauai
2008		Webcasts			County of Hawaii
2007					U.S. Representative Kai Kahele
2006					U.S. Representative Ed Case
2005					U.S. Senator Mazie Hirono
2004					U.S. Senator Brian Schatz
2003					Lt. Governor Josh Green
2002					Governor David Ige
2001					'Olelo Community Television
2000					Akaku: Maui Community Television
1999					Ho'ike: Kaua'i Community Television
					Na Leo O Hawai'i: Big Island Community Television
					National Conference of State Legislatures
					Council of State Governments
					Council of State Governments-West
					Hawaii Directory State, County, and Federal Officials

**HB-221**

Submitted on: 2/24/2021 9:49:34 AM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Stephen W weidenholtz	Individual	Support	No

Comments:

As a condo owner it is virtually impossible to have any meaningful change in the composition of the Board Members under the existing proxy voting.

Year after year the leadership of the board remains the same which has not been in the best interest of the condo owners.

The Board has not been accountable to the owners and lacks transparency.

Unless, HB221 is approved, I am afraid it's going to be status quo and the Board will become more embolden.

**HB-221**

Submitted on: 2/24/2021 10:28:23 AM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
COL Mark L. Brown, USA (Ret.)	Individual	Support	No

Comments:

Please SUPPORT HB221. The Bill includes an important provision that eliminates the option for a condo owner to convey their vote by proxy to the Board of Directors majority. I am a condo association Board of Directors member for a well-known condo tower on Ala Moana and have observed this option misused by a Board majority with financial ties to our Project Developers to the exclusion of the residential owners' best and common interests. Owners commonly select this proxy option, which has been resorted to the top of our proxy ballots by our managing agent (Hawaiiana Management Company), because it sounds appealing to those unaware of the easy misuse of this option by a Board majority to subordinate owner interests in favor of Project Developer and Managing Agent interests. Mahalo Nui Loa.

**HB-221**

Submitted on: 2/24/2021 11:16:11 AM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Maile Fuchshuber	Individual	Support	No

Comments:

I support this measure. The use of proxies should be by the owners and only designated to those who are not serving on the current AOAO board in order to keep matters fair and unbiased.



**HB-221**

Submitted on: 2/24/2021 11:51:07 AM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Anne Anderson	Individual	Oppose	No

Comments:

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

I oppose H.B. 221. Owners in a well run association generally have a high level of confidence and trust in the association's board of directors. They ought to be able to give their proxies to the board of directors, as a whole, if they wish, and there is no good reason to deny them the right to do so. Owners who lack confidence in their association's board of directors are free to give their proxies to whomever they choose or they may attend the meeting in person and cast their vote as they wish.

The change to HRS Section 514B-123(j) may lead to disputes over whether simply mailing an annual meeting packet that contains a proxy is the same as "soliciting" proxies. The statute already prohibits managing agents from soliciting proxies for their own use, so there is no need for the change.

This bill is not in the best interests of condominium associations or their members. There is no good or compelling reason to make the proposed changes.

I urge the committee to defer action on H.B. 221. Thank you.

Sincerely,

M. Anne Anderson

**HB-221**

Submitted on: 2/24/2021 11:51:36 AM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Randall Weikert	Individual	Support	No

Comments:

Although many owners who do not reside on site will typically give their vote to the Board because they feel the Board will know better how to vote their proxy, this also sets the stage for a self-perpetuating Board where the Board will screen out some owners so as to "hand pick" owners who they can manipulate or who are like-thinking and remove the diversity that is needed to keep an association healthy with new ideas.

**HB-221**

Submitted on: 2/24/2021 11:55:32 AM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
M D Schochet	Individual	Support	No

Comments:

As proposed, the “board as a whole” designation provision within the proxy form should be eliminated. The use of this provision permits board members to continually re-elect themselves year after year. One of the most important roles of a condo owner is electing Directors and the other provisions contained in the proxy form are available and appropriate to achieve this.

**HB-221**

Submitted on: 2/24/2021 12:38:01 PM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
R Laree McGuire	Individual	Comments	No

Comments:

I respectfully submit the following:

With regard to the deletion of the option for a condo owner to give their proxy to the board as a whole, I oppose this provision of the bill.

I am, however, in support of that portion of the bill that mandates that no managing agent or resident manager or their employees . . . shall solicit any proxies from any unit owner.

Thank you for the opportunity to submit these comments.

**HB-221**

Submitted on: 2/24/2021 4:45:55 PM

Testimony for CPC on 2/25/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Merrilee Lucas	Individual	Oppose	No

Comments:

Most companies with an elected managing Board have the option for the owner of the investment to assign the proxy to the Board as a whole. The sitting Board members are familiar with the future projects and planning that need to be addressed. They can determine the needs and talent for future. Especially for absent owners or those not involved enough to know what is needed to maintain their investment.

I agree that paid staff members should not be permitted to solicit proxies for an election.