

STAND. COM. REP. NO. 675-24

Honolulu, Hawaii

FEB 29 , 2024

RE: H.B. No. 2318
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary & Hawaiian Affairs, to which was referred H.B. No. 2318
entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII NONPROFIT
CORPORATIONS ACT,"

beg leave to report as follows:

The purpose of this measure is to exempt planned community
associations and condominium associations from the quorum and
voting provisions applicable to boards of directors under the
Hawaii Nonprofit Corporations Act.

Your Committees received testimony in support of this measure
from the Hawai'i State Association of Parliamentarians Legislative
Committee and one individual. Your Committees received comments
on this measure from the Community Associations Institute,
Legislative Action Committee, Hawaii Chapter.

Your Committees find that, under the Hawaii Nonprofit
Corporations Act, the quorum and voting provisions do not take
into account directors who abstain from taking actions based on
actual or perceived conflicts of interest. In such cases, the
abstention is equivalent to a no vote.

2024-1649 HB2318 HD1 HSCR HMSO



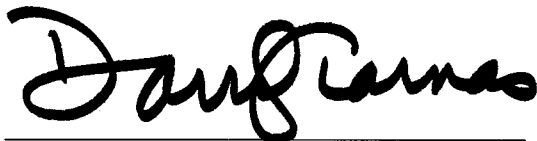
Your Committees further find that, as applied to planned community associations and condominium associations, equating abstentions to no votes would hamper boards of limited size. Boards of directors of planned community associations and condominium associations range in size, with some boards consisting of as little as three members to others consisting of as many as twelve members. This measure would allow planned community associations and condominium associations to have more flexibility in taking actions in the event of any abstentions.

Your Committees have amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2318, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2318, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Judiciary & Hawaiian Affairs,



DAVID A. TARNAS, Chair



MARK M. NAKASHIMA, Chair



State of Hawaii
House of Representatives
The Thirty-second Legislature

HSCR635-24

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB2318	Committee Referral: CPC/JHA	Date: 02-15-24		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	—			
2. SAYAMA, Jackson D. (VC)	—			
3. AMATO, Terez	—			
4. BELATTI, Della Au	—			
5. HASHEM, Mark J.	—			
6. HUSSEY-BURDICK, Natalia				—
7. GATES, Cedric Asuega				—
8. LOWEN, Nicole E.	—			
9. ONISHI, Richard H.K.	—			
10. TAM, Adrian K.	—			
11. PIERICK, Elijah	—			
TOTAL (11)	9			2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 8pt;">committee acronym(s)</div>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

Record of Votes of the Committee on Judiciary & Hawaiian Affairs

Bill/Resolution No.: HB 2318	Committee Referral: CPC/JHA	Date: 2/15/24		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
JHA Members	Ayes	Ayes (WR)	Nays	Excused
1. TARNAS, David A. (C)	✓			
2. TAKAYAMA, Gregg (VC)				✓
3. EVSLIN, Luke A.	✓			
4. GANADEN, Sonny	✓			
5. HOLT, Daniel	✓			
6. ICHIYAMA, Linda	✓			
7. ILAGAN, Greggor	✓			
8. KONG, Sam Satoru	✓			
9. MIYAKE, Tyson K.	✓			
10. SOUZA, Kanani	✓			
TOTAL (10)	9	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation.				
committee acronym(s)				
Vice Chair's or designee's signature: <u><i>Tyson K. Miyake</i></u>				
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