Submitted on: 3/15/2025 1:52:24 PM

Testimony for CPN on 3/20/2025 10:00:00 AM

| Submitted By  | Organization   | <b>Testifier Position</b> | Testify                   |
|---------------|--|---------------------------|---------------------------|
| Mark McKellar | Testifying for Law Offices<br>of Mark K. McKellar,<br>LLLC | Support                   | Written Testimony<br>Only |

#### Comments:

Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Members of the Committee:

I SUPPORT H.B. No. 850 H.D.1.

- 1. Empower a condominium board to authorize electronic voting at any in-person meeting without having to obtain prior owner approval.
- 2. Clarify that, subject to the approval requirements or conditions set forth in subsection (e), the board may authorize electronic meetings, electronic voting at electronic meetings, electronic voting without a meeting, and mail voting without a meeting for any and all association business including, without limitation, the adoption of amendments of the declaration and bylaws, and the adoption of motions and resolutions.
- 3. Clarify that the termination or expiration of a state of emergency shall not be grounds for invalidating any action taken at an electronic meeting that was noticed, or any action taken via electronic voting or mail voting without a meeting that was commenced, while a state of emergency was in effect.
- 4. Change the reference to "special meeting rule" to "special rule of order" for consistency with terminology used in the most current edition of Robert's Rules of Order Newly Revised.
- 5. Eliminate the requirement that action be taken within sixty days. It provides that the board may establish deadlines for voting, but clarifies that any deadline for voting or written consent established by chapter 514B or the declaration or bylaws shall control.
- 6. Clarify that proxies may not be used for voting conducted without a meeting. This is consistent with HRS Section 514B-123(f) which provides that a proxy shall only be valid for the meeting to which the proxy pertains and its adjournments.
- 7. Modify the definition of mail voting and add a definition of electronic voting.

I strongly urge the Committee to vote in favor of H.B. No. 850 H.D.1.

Respectfully submitted,

Mark McKellar

<u>HB-850-HD-1</u> Submitted on: 3/14/2025 5:31:55 PM

Testimony for CPN on 3/20/2025 10:00:00 AM

| Submitted By       | Organization                                    | <b>Testifier Position</b> | Testify                   |
|--------------------|---|---------------------------|---------------------------|
| Mike Golojuch, Sr. | Testifying for Palehua<br>Townhouse Association | Support                   | Written Testimony<br>Only |

#### Comments:

Our assoication supports HB850. Please pass this bill.

Submitted on: 3/14/2025 9:11:38 PM

Testimony for CPN on 3/20/2025 10:00:00 AM

| Submitted By    | Organization            | <b>Testifier Position</b> | Testify           |
|-----------------|-------------------------|---------------------------|-------------------|
| Primrose Leong- | Testifying for Nakamoto | Support                   | Written Testimony |
| Nakamoto        | Realty, LLC             |                           | Only              |

#### Comments:

Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Members of the Committee:

#### I SUPPORT H.B. No. 850 H.D.1.

- 1. Empower a condominium board to authorize electronic voting at any in-person meeting without having to obtain prior owner approval.
- 2. Clarify that, subject to the approval requirements or conditions set forth in subsection (e), the board may authorize electronic meetings, electronic voting at electronic meetings, electronic voting without a meeting, and mail voting without a meeting for any and all association business including, without limitation, the adoption of amendments of the declaration and bylaws, and the adoption of motions and resolutions.
- 3. Clarify that the termination or expiration of a state of emergency shall not be grounds for invalidating any action taken at an electronic meeting that was noticed, or any action taken via electronic voting or mail voting without a meeting that was commenced, while a state of emergency was in effect.
- 4. Change the reference to "special meeting rule" to "special rule of order" for consistency with terminology used in the most current edition of Robert's Rules of Order Newly Revised.
- 5. Eliminate the requirement that action be taking within sixty days. It provides that the board may establish deadlines for voting, but clarifies that any deadline for voting or written consent established by chapter 514B or the declaration or bylaws shall control.
- 6. Clarify that proxies may not be used for voting conducted without a meeting. This is consistent with HRS Section 514B-123(f) which provides that a proxy shall only be valid for the meeting to which the proxy pertains and its adjournments.
- 7. Modify the definition of mail voting and add a definition of electronic voting.

I strongly urge the Committee to vote in favor of H.B. No. 850 H.D.1.

Respectfully submitted,

Primrose Leong-Nakamoto (S)

Submitted on: 3/15/2025 11:52:42 AM

Testimony for CPN on 3/20/2025 10:00:00 AM

| <b>Submitted By</b> | Organization                          | <b>Testifier Position</b> | Testify   |
|---------------------|---------------------------------------|---------------------------|-----------|
| Richard Emery       | Testifying for Hawaii First<br>Realty | Support                   | In Person |

#### Comments:

This Bill expands opportunites for owner to participate in an annual meeting and voting for directors while preserving an audit trail. Support.

Submitted on: 3/17/2025 2:47:29 PM

Testimony for CPN on 3/20/2025 10:00:00 AM

| <b>Submitted By</b> | Organization                          | <b>Testifier Position</b> | Testify                   |
|---------------------|---------------------------------------|---------------------------|---------------------------|
| Idor Harris         | Testifying for Honolulu<br>Tower AOAO | Oppose                    | Written Testimony<br>Only |

#### Comments:

Honolulu Tower is a 396 unit condominium located at Beretania and Maunakea Streets on the edge of Chinatown. The Honolulu Tower Association of Apartment Owners Board of Directors has discussed electronic voting in the past and is on record as opposed to this procedure and urges you to delete all language relating to electronic voting.

Many of our members are uneducated in the use of smart phones, tablets, computers, etc. This provision will disenfranchise them. This is their home. The unit is a financial investment for them.

The board is also opposed to requiring voting by mail and asks you to delete all references to requiring voting by mail with paper ballots to be mailed out before any annual or periodic election of board members. It should be optional as each organization has its own needs. What works for us may not work for a condo across the street. Our owners are used to candidates being nominated from the floor. That will not happen with voting by mail. In 2021 and 2023 candidates nominated from the floor were elected to the board.

However, the board supports language that clarifies that in condo elections cumulative voting rights apply to all candidates. Cumulative voting is permitted in our governing documents,

Idor Harris, Resident Manager

Submitted on: 3/17/2025 3:15:53 PM

Testimony for CPN on 3/20/2025 10:00:00 AM

| Submitted By     | Organization                          | <b>Testifier Position</b> | Testify                   |
|------------------|---------------------------------------|---------------------------|---------------------------|
| Rachel Glanstein | Testifying for AOAO<br>Lakeview Sands | Support                   | Written Testimony<br>Only |

#### Comments:

Aloha Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Members of the Committee:

#### I SUPPORT H.B. No. 850 H.D.1.

- 1. Empower a condominium board to authorize electronic voting at any in-person meeting without having to obtain prior owner approval.
- 2. Clarify that, subject to the approval requirements or conditions set forth in subsection (e), the board may authorize electronic meetings, electronic voting at electronic meetings, electronic voting without a meeting, and mail voting without a meeting for any and all association business including, without limitation, the adoption of amendments of the declaration and bylaws, and the adoption of motions and resolutions.
- 3. Clarify that the termination or expiration of a state of emergency shall not be grounds for invalidating any action taken at an electronic meeting that was noticed, or any action taken via electronic voting or mail voting without a meeting that was commenced, while a state of emergency was in effect.
- 4. Change the reference to "special meeting rule" to "special rule of order" for consistency with terminology used in the most current edition of Robert's Rules of Order Newly Revised.
- 5. Eliminate the requirement that action be taken within sixty days. It provides that the board may establish deadlines for voting, but clarifies that any deadline for voting or written consent established by chapter 514B or the declaration or bylaws shall control.
- 6. Clarify that proxies may not be used for voting conducted without a meeting. This is consistent with HRS Section 514B-123(f) which provides that a proxy shall only be valid for the meeting to which the proxy pertains and its adjournments.
- 7. Modify the definition of mail voting and add a definition of electronic voting.

I strongly urge the Committee to vote in favor of H.B. No. 850 H.D.1.

Mahalo!

Rachel Glanstein

Submitted on: 3/15/2025 7:26:10 AM

Testimony for CPN on 3/20/2025 10:00:00 AM

| Submitted By | Organization | <b>Testifier Position</b> | Testify                   |
|--------------|--------------|---------------------------|---------------------------|
| Joe M Taylor | Individual   | Support                   | Written Testimony<br>Only |

#### Comments:

Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Members of the Committee:

I SUPPORT H.B. No. 850 H.D.1.

- 1. Empower a condominium board to authorize electronic voting at any in-person meeting without having to obtain prior owner approval.
- 2. Clarify that, subject to the approval requirements or conditions set forth in subsection (e), the board may authorize electronic meetings, electronic voting at electronic meetings, electronic voting without a meeting, and mail voting without a meeting for any and all association business including, without limitation, the adoption of amendments of the declaration and bylaws, and the adoption of motions and resolutions.
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- 4. Change the reference to "special meeting rule" to "special rule of order" for consistency with terminology used in the most current edition of Robert's Rules of Order Newly Revised.
- 5. Eliminate the requirement that action be taking within sixty days. It provides that the board may establish deadlines for voting, but clarifies that any deadline for voting or written consent established by chapter 514B or the declaration or bylaws shall control.
- 6. Clarify that proxies may not be used for voting conducted without a meeting. This is consistent with HRS Section 514B-123(f) which provides that a proxy shall only be valid for the meeting to which the proxy pertains and its adjournments.
- 7. Modify the definition of mail voting and add a definition of electronic voting.

I strongly urge the Committee to vote in favor of H.B. No. 850 H.D.1.

Respectfully submitted,

Joe Taylor

Submitted on: 3/14/2025 6:24:22 PM

Testimony for CPN on 3/20/2025 10:00:00 AM

| <b>Submitted By</b> | Organization | <b>Testifier Position</b> | Testify                   |
|---------------------|--------------|---------------------------|---------------------------|
| Anne Anderson       | Individual   | Support                   | Written Testimony<br>Only |

#### Comments:

Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Members of the Committee:

#### I SUPPORT H.B. No. 850 H.D.1.

- 1. Empower a condominium board to authorize electronic voting at any in-person meeting without having to obtain prior owner approval.
- 2. Clarify that, subject to the approval requirements or conditions set forth in subsection (e), the board may authorize electronic meetings, electronic voting at electronic meetings, electronic voting without a meeting, and mail voting without a meeting for any and all association business including, without limitation, the adoption of amendments of the declaration and bylaws, and the adoption of motions and resolutions.
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- 6. Clarify that proxies may not be used for voting conducted without a meeting. This is consistent with HRS Section 514B-123(f) which provides that a proxy shall only be valid for the meeting to which the proxy pertains and its adjournments.
- 7. Modify the definition of mail voting and add a definition of electronic voting.

I strongly urge the Committee to vote in favor of H.B. No. 850 H.D.1.

Respectfully submitted,

Anne Anderson

Submitted on: 3/14/2025 6:29:24 PM

Testimony for CPN on 3/20/2025 10:00:00 AM

| <b>Submitted By</b> | Organization | <b>Testifier Position</b> | Testify                   |
|---------------------|--------------|---------------------------|---------------------------|
| Michael Targgart    | Individual   | Support                   | Written Testimony<br>Only |

#### Comments:

Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Members of the Committee:

#### I SUPPORT H.B. No. 850 H.D.1.

- 1. Empower a condominium board to authorize electronic voting at any in-person meeting without having to obtain prior owner approval.
- 2. Clarify that, subject to the approval requirements or conditions set forth in subsection (e), the board may authorize electronic meetings, electronic voting at electronic meetings, electronic voting without a meeting, and mail voting without a meeting for any and all association business including, without limitation, the adoption of amendments of the declaration and bylaws, and the adoption of motions and resolutions.
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- 7. Modify the definition of mail voting and add a definition of electronic voting.

I strongly urge the Committee to vote in favor of H.B. No. 850 H.D.1.

Respectfully submitted,

Michael Targgart

Submitted on: 3/14/2025 6:39:01 PM

Testimony for CPN on 3/20/2025 10:00:00 AM

| Submitted By | Organization | <b>Testifier Position</b> | Testify                   |
|--------------|--------------|---------------------------|---------------------------|
| John Toalson | Individual   | Support                   | Written Testimony<br>Only |

#### Comments:

Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Members of the Committee:

I SUPPORT H.B. No. 850 H.D.1.

- 1. Empower a condominium board to authorize electronic voting at any in-person meeting without having to obtain prior owner approval.
- 2. Clarify that, subject to the approval requirements or conditions set forth in subsection (e), the board may authorize electronic meetings, electronic voting at electronic meetings, electronic voting without a meeting, and mail voting without a meeting for any and all association business including, without limitation, the adoption of amendments of the declaration and bylaws, and the adoption of motions and resolutions.
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- 7. Modify the definition of mail voting and add a definition of electronic voting.

I strongly urge the Committee to vote in favor of H.B. No. 850 H.D.1.

Respectfully submitted,

John Toalson

Submitted on: 3/14/2025 6:43:28 PM

Testimony for CPN on 3/20/2025 10:00:00 AM

| Submitted By             | Organization | <b>Testifier Position</b> | Testify                   |
|--------------------------|--------------|---------------------------|---------------------------|
| Paul A. Ireland Koftinow | Individual   | Support                   | Written Testimony<br>Only |

#### Comments:

Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Members of the Committee:

I SUPPORT H.B. No. 850 H.D.1.

- 1. Empower a condominium board to authorize electronic voting at any in-person meeting without having to obtain prior owner approval.
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- 7. Modify the definition of mail voting and add a definition of electronic voting.

I strongly urge the Committee to vote in favor of H.B. No. 850 H.D.1.

Respectfully submitted,

Submitted on: 3/16/2025 9:47:38 AM

Testimony for CPN on 3/20/2025 10:00:00 AM

| Submitted By | Organization | <b>Testifier Position</b> | Testify                   |
|--------------|--------------|---------------------------|---------------------------|
| Carol Walker | Individual   | Support                   | Written Testimony<br>Only |

#### Comments:

Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Members of the Committee:

I SUPPORT H.B. No. 850 H.D.1.

- 1. Empower a condominium board to authorize electronic voting at any in-person meeting without having to obtain prior owner approval.
- 2. Clarify that, subject to the approval requirements or conditions set forth in subsection (e), the board may authorize electronic meetings, electronic voting at electronic meetings, electronic voting without a meeting, and mail voting without a meeting for any and all association business including, without limitation, the adoption of amendments of the declaration and bylaws, and the adoption of motions and resolutions.
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- 6. Clarify that proxies may not be used for voting conducted without a meeting. This is consistent with HRS Section 514B-123(f) which provides that a proxy shall only be valid for the meeting to which the proxy pertains and its adjournments.
- 7. Modify the definition of mail voting and add a definition of electronic voting.

I strongly urge the Committee to vote in favor of H.B. No. 850 H.D.1.

Respectfully submitted,

Carol Walker

Submitted on: 3/16/2025 12:04:19 PM

Testimony for CPN on 3/20/2025 10:00:00 AM

| Submitted By | Organization | <b>Testifier Position</b> | Testify                   |
|--------------|--------------|---------------------------|---------------------------|
| mary freeman | Individual   | Support                   | Written Testimony<br>Only |

#### Comments:

Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Members of the Committee:

#### I SUPPORT H.B. No. 850 H.D.1.

- 1. Empower a condominium board to authorize electronic voting at any in-person meeting without having to obtain prior owner approval.
- 2. Clarify that, subject to the approval requirements or conditions set forth in subsection (e), the board may authorize electronic meetings, electronic voting at electronic meetings, electronic voting without a meeting, and mail voting without a meeting for any and all association business including, without limitation, the adoption of amendments of the declaration and bylaws, and the adoption of motions and resolutions.
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- 5. Eliminate the requirement that action be taken within sixty days. It provides that the board may establish deadlines for voting, but clarifies that any deadline for voting or written consent established by chapter 514B or the declaration or bylaws shall control.
- 6. Clarify that proxies may not be used for voting conducted without a meeting. This is consistent with HRS Section 514B-123(f) which provides that a proxy shall only be valid for the meeting to which the proxy pertains and its adjournments.

7. Modify the definition of mail voting and add a definition of electronic voting.

H.B. No. 850 H.D.1 will also serve to address issues related to cumulative voting. It deletes the reference to "nominees" and replaces it with a reference to "candidates." It then defines the term "candidate" to include a nominee or write-in candidate. This is consistent with the most current edition of Robert's Rules of Order Newly Revised which expressly allows for write-in candidates in elections.

I strongly urge the Committee to vote in favor of H.B. No. 850 H.D.1.

Respectfully submitted,

Mary Freeman

Ea Beach

Submitted on: 3/16/2025 7:27:52 PM

Testimony for CPN on 3/20/2025 10:00:00 AM

| <b>Submitted By</b> | Organization | <b>Testifier Position</b> | Testify                   |
|---------------------|--------------|---------------------------|---------------------------|
| Jacob Wiencek       | Individual   | Support                   | Written Testimony<br>Only |

#### Comments:

Aloha Committee Members,

As both a condo owner and a director for my condo board, I deeply appreciate the intent of this bill. Providing legal and clear pathways for owners to participate in Association meetings is crucial to the health of our self-governing condo associations. This bill, I believe, has the right balance of interests moving forward.

I urge this Committee to SUPPORT this bill!

Submitted on: 3/16/2025 10:35:17 PM

Testimony for CPN on 3/20/2025 10:00:00 AM

| Submitted By      | Organization | <b>Testifier Position</b> | Testify                   |
|-------------------|--------------|---------------------------|---------------------------|
| Lance S. Fujisaki | Individual   | Support                   | Written Testimony<br>Only |

#### Comments:

Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Members of the Committee:

I SUPPORT H.B. No. 850 H.D.1.

This is a much needed bill. It offers clarification and guidance on issues that have arisen regarding electronic meetings, electronic voting, and mail voting. Without limitation, it will:

- 1. Empower a condominium board to authorize electronic voting at any in-person meeting without having to obtain prior owner approval.
- 2. Clarify that, subject to the approval requirements or conditions set forth in subsection (e), the board may authorize electronic meetings, electronic voting at electronic meetings, electronic voting without a meeting, and mail voting without a meeting for any and all association business including, without limitation, the adoption of amendments of the declaration and bylaws, and the adoption of motions and resolutions.
- 3. Clarify that the termination or expiration of a state of emergency shall not be grounds for invalidating any action taken at an electronic meeting that was noticed, or any action taken via electronic voting or mail voting without a meeting that was commenced, while a state of emergency was in effect.
- 4. Change the reference to "special meeting rule" to "special rule of order" for consistency with terminology used in the most current edition of Robert's Rules of Order Newly Revised.
- 5. Eliminate the requirement that action be taken within sixty days. It provides that the board may establish deadlines for voting, but clarifies that any deadline for voting or written consent established by chapter 514B or the declaration or bylaws shall control.
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- 7. Modify the definition of mail voting and add a definition of electronic voting.
- H.B. No. 850 H.D.1 will also serve to address issues related to cumulative voting. It deletes the reference to "nominees" and replaces it with a reference to "candidates." It then defines the term "candidate" to include a nominee or write-in candidate. This is consistent with the most current edition of Robert's Rules of Order Newly Revised which expressly allows for write-in candidates in elections.

I strongly urge the Committee to vote in favor of H.B. No. 850 H.D.1.

Respectfully submitted,

Lance Fujisaki

Submitted on: 3/17/2025 9:59:02 AM

Testimony for CPN on 3/20/2025 10:00:00 AM

| <b>Submitted By</b> | Organization | <b>Testifier Position</b> | Testify                   |
|---------------------|--------------|---------------------------|---------------------------|
| lynne matusow       | Individual   | Oppose                    | Written Testimony<br>Only |

#### Comments:

In good faith, I can only support that section of this bill that deals with cumulative voting. I live in a high rise condo, am an owner, am on its board, and cumulative voting is a feature of our annual meeting elections.

Electronic voting scares me. The Board should not be empowered to make that decision. Electronic voting should be decided by a majority of owners, not a small group called the board. I do not believe it is safe. Hacking happens all the time. Look at what happened to United Health where many businesses were locked out of its system, including access to records, finances, etc. I would not participate in such a scheme and if it is the only option I would be disenfranchised. Recently an owner complained to me about Safeway and its digital coupons. He wanted to buy something that was a digital coupon only, was told that by the cashier, and said he did not know how to use it. Imagine telling an owner that he or she cannot vote if they don't do it electronically. As you all know, if you do not use it, you will lose it. Training someone to do a task for a once a year event means they don't remember what to do from year to year. You need to stop this idiocy in its tracks or permit a combination of electronic voting and voting in person with a paper ballot.

When we did not have statewide voting by mail, many people walked into voter service centers and refused to use the computer version and demanded paper ballots.

Mail voting is another peril. It denies owners from attending a meeting and being nominated from the floor. This is how we do it and often non incumbents nominated from the floor are elected. We need this option. My condo is large, has nine board members, and there are years we cannot find people to serve on the board. Having people nominated from the floor helps, sometimes it is the only way to fill the open seats. To make it mandatory is not pono. As we know, thousands line up at the voter service centers on election day to cast a ballot. They don't trust the mail.

Condo owners need options. They should not be told this is the only way you can vote, What works well in some organizations fails badly in others.

Submitted on: 3/17/2025 8:21:27 AM

Testimony for CPN on 3/20/2025 10:00:00 AM

| <b>Submitted By</b> | Organization | <b>Testifier Position</b> | Testify                   |
|---------------------|--------------|---------------------------|---------------------------|
| Laura Bearden       | Individual   | Support                   | Written Testimony<br>Only |

#### Comments:

Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Members of the Committee:

I SUPPORT H.B. No. 850 H.D.1.

- 1. Empower a condominium board to authorize electronic voting at any in-person meeting without having to obtain prior owner approval.
- 2. Clarify that, subject to the approval requirements or conditions set forth in subsection (e), the board may authorize electronic meetings, electronic voting at electronic meetings, electronic voting without a meeting, and mail voting without a meeting for any and all association business including, without limitation, the adoption of amendments of the declaration and bylaws, and the adoption of motions and resolutions.
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- 6. Clarify that proxies may not be used for voting conducted without a meeting. This is consistent with HRS Section 514B-123(f) which provides that a proxy shall only be valid for the meeting to which the proxy pertains and its adjournments.
- 7. Modify the definition of mail voting and add a definition of electronic voting.

I strongly urge the Committee to vote in favor of H.B. No. 850 H.D.1.

Respectfully submitted,

Laura Bearden

Submitted on: 3/17/2025 10:53:52 AM

Testimony for CPN on 3/20/2025 10:00:00 AM

| Submitte  | ed By | Organization | <b>Testifier Position</b> | Testify                   |
|-----------|-------|--------------|---------------------------|---------------------------|
| Jane Fins | strom | Individual   | Support                   | Written Testimony<br>Only |

#### Comments:

#### **Testimony in Support of HB 850 HD 1**

#### \*\*with Suggested Amendments - Reforming Condominium Proxy Voting

My name is Jane Finstrom, and I am here representing both myself and my husband, Charles Schmidt, as well as other concerned residents of Makaha Valley Plantations.

Upon purchasing our condominium four years ago, we encountered a significant barrier to fair governance within our association: a deeply entrenched board facilitated by a proxy voting system that perpetuates their tenure. A particular board member has been in position for nearly 25 years, due in large part to a proxy form that enables absentee owners to effortlessly delegate their voting rights to the current board. These owners, often not resident and thus less informed of day-to-day governance issues, tend to default to this option, maintaining the status quo and inhibiting fresh leadership and perspectives.

This system not only discourages active participation and community engagement but also creates an environment conducive to potential mismanagement and corruption. Attorney Terrence Revere has pointed out that such conditions, where significant power and financial oversight are concentrated among a few for extended periods, are ripe for corruption.

While HB 850 HD 1 proposes modernizations to voting processes, including provisions for electronic and mail voting which we support, it does not address the core issue of proxy assignments directly to the board. To more effectively combat the potential for abuse and to ensure truly democratic elections, we propose an amendment to the bill:

**Suggested Amendment:** Add a provision to HB 850 HD 1 explicitly prohibiting the use of proxy forms that allow a unit owner to assign their vote directly to current board members or any single candidate, thus promoting a fairer and more competitive election process.

We urge the committee to consider this amendment seriously. By supporting this revised version of HB 850 HD 1, you will be taking a strong stand not only for more transparent and fair electoral processes within condominium associations but also against the entrenchment of power that can lead to governance issues.

Thank you for your time and for considering our perspective in this vital legislative effort.

Sincerely,

Jane Finstrom and Charles Schmidt

Submitted on: 3/17/2025 12:47:57 PM

Testimony for CPN on 3/20/2025 10:00:00 AM

| Submitted By   | Organization | <b>Testifier Position</b> | Testify                   |
|----------------|--------------|---------------------------|---------------------------|
| Jessica Herzog | Individual   | Support                   | Written Testimony<br>Only |

#### Comments:

## **Testimony in Support of Mandating Electronic Voting for Condominiums with High Absentee Ownership**

My name is Jessica Herzog, and I am a concerned resident and board member at Makaha Surfside, where we face a common challenge in our condominium association governance due to the high percentage of absentee ownership in Hawai'i.

At Makaha Surfside, almost 85% of our owners do not reside on the property. This significant absentee rate complicates our voting processes, as these owners are often disengaged from day-to-day issues and more likely to default to proxy voting. Proxy voting, while a common practice, does not align with the principles of transparency and active participation advocated by Robert's Rules of Order, which governs most condominium associations including ours.

The reliance on proxy voting can lead to a stagnation of leadership and potential governance issues, as it allows for the accumulation of voting power in the hands of a few, often leading to decisions that do not necessarily reflect the will of the majority of the owners.

To address these challenges effectively and ensure that all owners have the ability to participate in the governance of their property, regardless of their physical presence, I propose a legislative amendment to mandate electronic voting for all condominium associations where less than 50% of owners reside on the property unless the association votes against it with a 67% majority. This change would not only increase participation rates but also enhance the integrity and transparency of our elections, aligning them with modern democratic practices and reducing the reliance on proxy voting which is widely regarded as problematic under Robert's Rules and by resident condo owners.

Electronic voting offers a secure and efficient method to involve all owners in the decision-making process, ensuring that everyone has a voice in the management of their investment, irrespective of their geographic location. This method supports fair representation and can help prevent the potential abuses associated with proxy voting.

I urge the committee to consider this amendment seriously, as it represents a crucial step towards modernizing our condominium governance structures and promoting fairness and accountability in associations with significant absentee ownership rates.

Thank you for your time and for considering this essential enhancement to our condominium law.

Mahalo nui loa,

Jessica Herzog - Condo Owner Oahu mssc403@gmail.com 707.340.5786

For more on our graassroots movement to refom condo laws please visit: https://www.leewardrepair.com/2025/01/26/regulatory-bills/

Submitted on: 3/17/2025 5:21:33 PM

Testimony for CPN on 3/20/2025 10:00:00 AM

| <b>Submitted By</b> | Organization | <b>Testifier Position</b> | Testify              |
|---------------------|--------------|---------------------------|----------------------|
| Dale Head           | Individual   | Support                   | Remotely Via<br>Zoom |

Comments:

Aloha CPN & CPC Chairmen and Members Monday 17 March 2025

- 1. I am writing about your consideration of Home Owners Association members restricted rights to cast their own vote, and the industry 'Business Model' of misuse of 'proxies' to wrongfully manipulate Motions and Board Elections at General Meetings. This constitutes a form of corruption which relies on state government participation. No shame in our Capitol when this happens, often, in my opinion.
- 2. HB850 HD1 speaks to usage of proxies and cumulative voting. As I resided in a large HOA of 455 condominiums for about 35 years, and spent over a decade on its Board of Directors, resisting intrigues from Property Managers of 3 different 'Property Management Companies, with a sense of humor, it could be said that I 'know too much'.
- 3. Please know too that as almost all ByLaws of our **8,923** HOAs (comprising **243,863** dwellings (as of 2 November 2023, per **DCCA**) which today house perhaps **40%** of our population,, have a clause specifying that state law prevails over Association ByLaws, is why **HRS514b-123** exists. It specifies an HOA member must be physically present in order to cast their own vote. What is not mentioned in the statute, is that companies are not prohibited from funneling 'proxy/votes' to their preferred candidates in order to keep control of a Board. Pretty good, quite a 'racket', hence, the situation is simply **racketeering** which is perfectly 'legal'. Yep, any legislator who accepts donations from outside their own district which elected them, and then ignores abrogation of voting rights within HOAs is NOT a 'public servant'.
- 4. Please amend this to confer an unfettered right for HOA members to cast their own votes, do away with 'proxies' as they are a means relied upon too often to hijack elections, and try respecting HOA members as they are taxpayers who fund your salary.

5.. Three cheers for corruption!!!

Sincerely, Dale A. Head

PS - I filed 3 formal complaints over a decade with that joke of a state agency, Regulated Industries Complaint Office, for HOA documents, and never received any of them.

# The Senate The Thirty-Third Legislature Committee on Commerce and Consumer Protection Thursday, March 20, 2025 10:00 a.m.

To: Senator Jarrett Keohokalole, Chair

Re: HB 850 HD 1, Relating to Condominiums

Aloha Chair Jarrett Keohokalole, Vice-Chair Carol Fukunaga, and Members of the Committee,

A board typically serves as its condominium association's government with minimal "checks and balances" against its centralized power. The DCCA instructs<sup>1</sup> that "the owners' most important role is electing directors." Thus, only the votes of the owners during elections serve to check and balance the absolute power of the board.

Mahalo for the opportunity to testify in **opposition to HB 850 HD 1** because the following have not been satisfactorily addressed:

#### THE USE OF PROXIES IS UNNECESSARY AND SHOULD BE ELIMINATED

While the use of proxies may lead owners to feel that they are represented, and proponents of proxy usage claim that proxy options provide "free choice," the more removed a voter is from the actual casting of his vote, the greater the possibility of nefarious interference and loss of choice.

The authorized proxy forms provided by property management companies are "general" proxies that allow the proxy assignee to vote however the assignee wants. Comparatively, direct voting by ballot—by mail or in person--provide owners the opportunity to cast their own vote rather than to depend on the vagaries of their proxy assignee.

Further, the two options to assign owners' proxies to the board confer greater voting power to the board, allowing them to repeatedly vote themselves into office while depriving and defeating candidates who may have garnered even more individual owners' votes than these incumbent directors. The re-election of incumbent directors, regardless of sizeable dissent from owners, convince owners that these incumbents are entrenched and inexorable, sometimes maintaining their seats for decades, which inevitably generates greater owner-apathy because owners' votes have little consequence.

Another argument against the use of proxies comes from Robert's Rules of Order Newly Revised, recognized in HRS514B for procedural guidance, which does not condone the use of proxies nor absentee ballots, and favor "absentee voting":

<sup>&</sup>lt;sup>1</sup> https://files.hawaii.gov/dcca/reb/condo ed/condo gen/condo bod/2009 CondoOwnersRandR.pdf

RONR (12<sup>th</sup> ed.) 45:2 "One Person, One Vote...An individual member's right to vote may not be transferred to another person (for example, by the use of proxies)"

RONR (12<sup>th</sup> ed.) 45:56 "Absentee Voting. It is a fundamental principle of parliamentary law that the right to vote is limited to the members of an organization who are actually present at the time the vote is taken in a regular or properly called meeting...The votes of those present could be affected by debate, by amendments, and perhaps by the need for repeated balloting, while those absent would be unable to adjust their votes to reflect these factors. Consequently, the absentee ballots would in most cases be on a somewhat different question than that on which those present were voting, leading to confusion, unfairness, and inaccuracy in determining the result."

RONR (12 ed.) 45:70 "Proxy Voting...Ordinarily [proxy voting] should neither be allowed or required, because proxy voting is incompatible with the essential characteristics of a deliberative assembly in which membership is individual, personal, and nontransferable."

States with larger numbers of homeowners' associations, like Florida,<sup>2</sup> Arizona,<sup>3</sup> and Illinois,<sup>4</sup> prohibit the use of proxy voting because of the potential for election fraud, and mandate ballot voting for the election of directors.

In California--home to the most association governed communities in the nation with more than 1/3 of its population residing in association governed communities<sup>5</sup>--a leading legal firm<sup>6</sup> explained on its:

"Because ballots count toward quorum (Civ. Code § 5115(b)), proxies are no longer needed. Unless an association's governing documents state otherwise, boards are not required to send proxies to the membership. Associations may amend their bylaws to eliminate proxy voting. (Corp. Code § 7613(a).)

"Arguments in favor of <u>eliminating</u> proxies include:

- Fraudulent Signatures. Proxy forms may be signed by using unverifiable signatures. By statute, signatures for proxies now include "typewriting, telegraphic transmission, or otherwise." (Civ. Code § 5130(a)(2).)
- Fraudulent Voting...Since there is no way to verify that proxyholders vote their ballots according to the owner's instructions, the proxyholder can change an owner's vote."

<sup>&</sup>lt;sup>2</sup>http://www.leg.state.fl.us/statutes/index.cfm?App\_mode=Display\_Statute&URL=0700-0799/0723/Sections/0723.078.html <sup>3</sup>https://azleg.gov/ars/33/01812.htm

 $<sup>^4</sup> https://www.chicagotribune.com/2011/03/14/associations-proxy-voting-system-violates-state-law/system-violates-state-l$ 

<sup>&</sup>lt;sup>5</sup>https://www.calassoc-hoa.com/about-us/our-objective-hoa-data-

statistics/#: ``: text = In %20 California %2 C%20 there %20 are %20 an, Homeownership %20 statewide %20 is %2054.9%25.

<sup>&</sup>lt;sup>6</sup> https://www.davis-stirling.com/HOME/E/Election-

Proxies?utm campaign=%20&utm source=emailoctopus&utm medium=email

In 2022 and 2024, Hawaii's Office of Elections<sup>7</sup> reported that the mail-in ballot turnouts were 96% and 92%, respectively, of overall voter turnout. A similar direct-voting-by-ballot method, by postal mail, electronic mail, or in person balloting with an auditable document trail, would benefit, engage, and empower more condominium homeowners across the world than the current association electoral process, and would obviate the need for proxy assignments.

#### • VOTING SHOULD ONLY OCCUR AFTER DELIBERATION HAS OCCURRED.

One of the fundamental principles of Robert's Rules of Order is that members (i.e., owners) have the right to discuss the business at hand, express their opinions, and debate *before* the vote is taken.

### • THE SECURITY OF THE ELECTRONIC VOTING SYSTEM MUST BE ASSURED OR ASSOCIAITONS SHOULD RETURN TO PAPER-BASED ELECTIONS.

Elections are so essential to a representative democratic government that the Department of Homeland Security has defined election infrastructure as "critical infrastructure," as fundamental as roads, bridges, and other public infrastructure.<sup>8</sup> Representative governance hinges on the integrity of the electoral process. Voters, I.e., owners, must have the assurance that their elections are fair, honest, and untainted by manipulation.

Recently, *Government Technology* reported that public elections are moving towards <u>paper-based elections</u> due to the inability of electronic voting systems to provide an auditable paper-trail:

"As jurisdictions move away from direct recording electronic (DRE) systems, they have largely moved toward ballot marking devices...

"Cybersecurity experts and researchers have long pointed out that DREs can pose significant risks to election security, particularly those which don't produce a voter-verified paper audit trail (VVPAT)...

"In 2018, the National Academies of Sciences, Engineering and Medicine published a consensus report<sup>9</sup> which recommended exclusively using paper ballots or electronic ballot marking devices because of the cybersecurity risks of recording votes directly into electronic memory." <sup>10</sup>

Mahalo for the opportunity to submit these comments in opposition to HB 850 HD 1.

<sup>&</sup>lt;sup>7</sup> https://elections.hawaii.gov/election-results/

<sup>8</sup> https://www.govinfo.gov/content/pkg/CHRG-115hhrg33089/pdf/CHRG-115hhrg33089.pdf

<sup>&</sup>lt;sup>9</sup> https://nap.nationalacademies.org/catalog/25120/securing-the-vote-protecting-american-democracy

<sup>&</sup>lt;sup>10</sup> https://www.govtech.com/biz/data/the-results-are-in-u-s-moves-toward-paper-based-elections

Submitted on: 3/17/2025 9:51:28 PM

Testimony for CPN on 3/20/2025 10:00:00 AM

| <b>Submitted By</b> | Organization | <b>Testifier Position</b> | Testify                   |
|---------------------|--------------|---------------------------|---------------------------|
| Miri Yi             | Individual   | Oppose                    | Written Testimony<br>Only |

#### Comments:

Aloha e Committee Chairs and Members,

This bill is not written properly and does not include proper notifications to owners.

Allowing boards to make changes and decisions on their own is a very bad idea.

Page 3 should be removed entirely. There is zero transparency as it is and this bill does not resolve this problem.

Thank you for the opportunity to provide testimony in opposition of this bill in its current state.

Mahalo Nui Loa,

Miri Yi Condo owner Honoulu 96818 Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Members of the Committee:

#### I SUPPORT H.B. No. 850 H.D.1.

This is a much needed bill. It offers clarification and guidance on issues that have arisen regarding electronic meetings, electronic voting, and mail voting. Without limitation, it will:

- 1. Empower a condominium board to authorize electronic voting at any in-person meeting without having to obtain prior owner approval.
- 2. Clarify that, subject to the approval requirements or conditions set forth in subsection (e), the board may authorize electronic meetings, electronic voting at electronic meetings, electronic voting without a meeting, and mail voting without a meeting for any and all association business including, without limitation, the adoption of amendments of the declaration and bylaws, and the adoption of motions and resolutions.
- 3. Clarify that the termination or expiration of a state of emergency shall not be grounds for invalidating any action taken at an electronic meeting that was noticed, or any action taken via electronic voting or mail voting without a meeting that was commenced, while a state of emergency was in effect.
- 4. Change the reference to "special meeting rule" to "special rule of order" for consistency with terminology used in the most current edition of Robert's Rules of Order Newly Revised.
- 5. Eliminate the requirement that action be taken within sixty days. It provides that the board may establish deadlines for voting, but clarifies that any deadline for voting or written consent established by chapter 514B or the declaration or bylaws shall control.
- 6. Clarify that proxies may not be used for voting conducted without a meeting. This is consistent with HRS Section 514B-123(f) which provides that a proxy shall only be valid for the meeting to which the proxy pertains and its adjournments.
- 7. Modify the definition of mail voting and add a definition of electronic voting.
- H.B. No. 850 H.D.1 will also serve to address issues related to cumulative voting. It deletes the reference to "nominees" and replaces it with a reference to "candidates." It then defines the term "candidate" to include a nominee or write-in candidate. This is consistent with the most current edition of Robert's Rules of Order Newly Revised which expressly allows for write-in candidates in elections.

I strongly urge the Committee to vote in favor of H.B. No. 850 H.D.1.

Respectfully submitted,

Pamela J. Schell

Submitted on: 3/18/2025 9:38:49 AM

Testimony for CPN on 3/20/2025 10:00:00 AM

| <b>Submitted By</b> | Organization | <b>Testifier Position</b> | Testify              |
|---------------------|--------------|---------------------------|----------------------|
| Greg Misakian       | Individual   | Comments                  | Remotely Via<br>Zoom |

#### Comments:

HB850 HD1 is still not properly worded to provide better consumer protections for condominium owners. I offered to help revise it but was not contacted,

This year again, like others, it has been 100% clear that many of our legislators are not listening to the residents of Hawaii who have asked for better laws and consumer protections for condominium owners. You are scheduling bills that either do nothing at all, or are confusing at best, and the most substantive bills to provide help for the many thousands of residents who live in condominiums were "intentionally" not scheduled for committee hearings. Some of these were: HB1311, HB1312, HB1313, HB1315, HB890, and SB1265.

The Chairs of the CPC, CPN, and HSG Committees should be accountable for their behavior, and for continuing to allow certain people, intent on controlling the narrative, to speak often and direct the show. Time and time again I watch Mr. Richard Emery and Mr. Philip Nerney provide testimony, and have a seat at the table when you ask questions, which often they are not answering properly or are providing misleading information. Both have a conflict of interest which I have previously testified about. Rarely do you direct questions to members of the public who are condominium owners, and well informed regarding the issues, to see what they think.

And lest we not forget the many thousands of dollars of campaign contributions some of the Chairs of Committees have received. - the price for a seat at the table, and what should be an immediate seat at the Ethics Commission table. I personally have had enough, and I think the people of Hawaii have too, and I believe the actions and inactions this year in the 2025 legislative session will be remembered at the next election, for all of those who disregarded and disrespected condominium owners in 2025.

Gregory Misakian



# HAWAI'I STATE ASSOCIATION OF PARLIAMENTARIANS LEGISLATIVE COMMITTEE P. O. Box 29213

HONOLULU, HAWAI'I 96820-1613

E-MAIL: STEVEGHI@GMAIL.COM



March 18, 2025

Honorable Sen. Jarrett Keohokalole, Chair Honorable Sen. Carol Fukunaga, Vice Chair Senate Committee on Commerce and Consumer Protection (CPN) Hawaii State Capitol, Room 229 415 South Beretania Street Honolulu, HI 96813

RE: Testimony in SUPPORT OF HB850 HD1; Hearing Date: March 20, 2025 at 10:00 a.m.; sent via Internet

Dear Sen. Keohokalole, Chair, Sen. Fukunaga, Vice Chair, and Committee Members:

Thank you for the opportunity to provide testimony on this bill. The Hawaii State Association of Parliamentarians ("HSAP") has been providing professional parliamentary expertise to Hawaii since 1964.

I am the chair of the HSAP Legislative Committee. I'm also an experienced Professional Registered Parliamentarian who has worked with condominium and community associations every year since I began my parliamentary practice in 1983 (more than 2,000 meetings in 40 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 SUPPORT OF HB850 HD1.

We concur and join with Anne Anderson, Esq. who has assisted in drafting the wording for this proposed bill.

#### **Summary of Bill:**

The bill proposes to:

- 1. clarify and address issues related to electronic meetings, electronic voting at a meeting, electronic voting outside of a meeting, and mail voting; and
- 2. clarify cumulative voting requirements for condominium association meetings.

SEN. KEOHOKALOLE, CHAIR; SEN. FUKUNAGA, VICE-CHAIR SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION (CPN) HEARING DATE: MARCH 20, 2025; HEARING TIME: 10:00 A.M. PAGE 2 OF 3 PAGES

We believe the bill would be more understandable if described as:

- In-person (traditional) and other types of decision making in Section 1 (HRS §514B-121 relating to Association meetings), and
- Clarification of cumulative voting in Section 2 (HRS §514B-124.5),

including direct references to HB850 HD1 by page and line numbers.

**SECTION 1** (Proposed clarifications to HRS §514B-121)

#### In-person meeting:

Electronic voting may be authorized by the Board at an <u>in-person meeting [page 3, lines 4-8]</u>. Note that electronic voting is <u>optional</u> and not mandated. Current voting in condominiums has traditionally been through paper ballots.

Other types of association meetings or voting without an in-person meeting may be authorized by the Board under certain conditions [page 3, lines 4-6 and page 3, lines 9-page 5 line 8]:

- During a <u>state of emergency</u> or local state of emergency, declared pursuant to Chapter 127A <u>or</u> if the action was <u>noticed during</u> the emergency [page 3, line 17-page 4, line 8];
- 2. When approved by the owners through adoption of a special rule of order at an association meeting [page 4, lines 16-19];
- 3. When approved between 3 and 18 months in advance by written consent of a <u>majority</u> of unit owners or <u>majority vote at an association meeting</u> [page 5, line 1-page 5, line 6]; or
- 4. Whenever otherwise authorized by Chapter 514B or in an association's declaration or bylaws [page 5, lines 7-8].

We note that the authorization by the Board is subject to owner approval for <u>any</u> decision making done <u>without a meeting</u> except for a declared emergency, or when permitted by statute or in the association's declaration or bylaws.

The bill clarifies the existing voting processes which have become complicated as a result of the Covid-19 pandemic and numerous technology advances with meetings and voting. It provides condominiums with more options to make informed decisions.

#### Other rules:

1. Voting done <u>without a meeting</u> must start and end on established dates, provided that the deadline must comply with any applicable deadline established by Chapter 514B,

SEN. KEOHOKALOLE, CHAIR; SEN. FUKUNAGA, VICE-CHAIR SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION (CPN) HEARING DATE: MARCH 20, 2025; HEARING TIME: 10:00 A.M. PAGE 3 OF 3 PAGES

the declaration, or bylaws [page 5, lines 9-17]; and

2. Proxies may not be used for any voting conducted without a meeting of the association [page 5, lines 15-16].

**SECTION 2** (Proposed changes to HRS §514B-124.5 with respect to cumulative voting)

This section matches 2024 HB 2316 HD1 SD1 which was referred to conference committee last year. It had unanimous support in the House and near unanimous support in the Senate (19 in favor and 1 one individual in opposition).

#### Reference (2024):

https://www.capitol.hawaii.gov/session/archives/measure\_indiv\_Archives.aspx?billtype=HB&billnumber=231 6&year=2024

This measure clarifies the cumulative voting requirements for condominium association meetings. Specifically, this measure clarifies that:

- 1. In condominium elections, cumulative voting rights apply to all candidates regardless of whether they are nominated; and
- 2. Individual votes are used in cumulative voting.

#### **SUMMARY**

We request that HB850 HD1 be approved by the Committee. It is a good bill and greatly improves the current statutes which need to be updated to manage and accommodate new technology. This bill will minimize the confusion with the current law and simplify the process, while leaving the non-emergency decision of in-person vs. electronic meetings with the owners.

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

Sincerely,

#### Steve Glanstein

Steve Glanstein, Professional Registered Parliamentarian Chair, HSAP Legislative Committee



Submitted on: 3/18/2025 11:11:36 AM

Testimony for CPN on 3/20/2025 10:00:00 AM

| <b>Submitted By</b> | Organization | <b>Testifier Position</b> | Testify                   |
|---------------------|--------------|---------------------------|---------------------------|
| Sandie Wong         | Individual   | Support                   | Written Testimony<br>Only |

Comments:

I support. Thank you.



Submitted on: 3/18/2025 3:04:58 PM

Testimony for CPN on 3/20/2025 10:00:00 AM

| <b>Submitted By</b> | Organization | <b>Testifier Position</b> | Testify                   |
|---------------------|--------------|---------------------------|---------------------------|
| Frank Schultz       | Individual   | Support                   | Written Testimony<br>Only |

Comments:

I support this initiative.



Honorable Jarrett Keohokalole, Chair
Honorable Carol Fukunaga, Vice Chair
Committee on Commerce and Consumer Protection
Hawaii State Senate
Hawaii State Capitol Hearing: March 20, 2025 at 10:00 am Room: 229

Re: HB 850, HD1 – Relating To Condominiums

Dear Chair Keohokalole, Vice-Chair Fukunaga and Honorable Committee Members,

My name is Jim Stone and I am a member on the Board of Directors for a condominium. I apologize for my late testimony.

I write in strong support of this bill and the positions expressed by Anne Anderson, Esq. and the HSAP Legislative Committee.

There is always room for improvements in the laws especially those to help improve management and accommodate new technology. This bill seeks to accomplish that and will be of great benefit.

I respectfully, urge to you pass this bill. It's an important and meaningful bill that should be allowed to pass and move forward.

Thank you for your time, consideration and support. Mahalo, Jim Stone. Cell phone: 808-223-7810. Email: <a href="mailto:stnjames@aol.com">stnjames@aol.com</a> Address: 1288 Kapiolani Blvd, #2506, Honolulu, HI 96814.