

SB-1288-SD-1

Submitted on: 3/11/2019 9:58:24 AM

Testimony for CPC on 3/12/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jane Sugimura	HI Council of Assoc. of Apt. Owners	Support	No

Comments:

We join in and support the testimony of Hawaii State Association of Parliamentarians.

SB-1288-SD-1

Submitted on: 3/9/2019 11:06:46 AM

Testimony for CPC on 3/12/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Richard Emery	Associa	Support	Yes

Comments:

Technology changes fast. This Bill allows the OPTION to use secure electronic voting. It will improve voting efficiency for larger associations and reduce the time to calculate voting results with an audit trail.



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

March 10, 2019

Honorable Rep. Roy M. Takumi, Chair
Honorable Rep. Linda Ichiyama, Vice-Chair
House Committee on Consumer Protection and Commerce (CPC)
Hawaii State Capitol, Room 329
415 South Beretania Street
Honolulu, HI 96813

**RE: Testimony in SUPPORT of SB1288 SD1; Hearing: March 12, 2019 at 2:00 p.m.
in House conference room 329; sent via Internet**

Dear Rep. Takumi, Chairman; Rep. Linda Ichiyama, Vice-Chair; Committee Members

Thank you for the opportunity to provide testimony on this bill. Unfortunately, I had a prior obligation in Lihue, Kauai today so am unable to appear in person.

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 (over 1,700 meetings in 35 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 SB1288.

Current Situation:

Today, numerous Hawaii condominium associations have a secret ballot requirement. Pursuant to the parliamentary authority for these meetings, the secret ballot requirement is met by using slips of paper. **There is no authority for condominium associations to use electronic voting devices when the bylaws require secret ballot.**

For many years condominium associations have conducted board elections that simply took too long to count. Some results were later found inaccurate because paper ballots with multiple percentages were susceptible to error.

Longer wait times were experienced if additional motions were presented and needed to be voted. In an extreme case (and not humorous at the time), a simple motion to extend a speaker's time by 3 minutes required a ballot vote due to the different percentages of common interest. 15 minutes later, the association voted not to extend the time, hardly a productive use of owners' time.

Some associations may have over 50 different common interests, including percentages with long digits such as 0.3411716763% for a 2 bedroom apartment. It is compounded if the vote is split among 7-9 directors. If there is any miscalculation or imbalance, it can take several hours or the meeting would be adjourned to meet the next day with the results.

In one case, the results were incorrect, which led to an expensive special meeting to authorize a recount. In several other cases, paper ballots were counted incorrectly, electing directors to incorrect terms and damaging the association's confidence in the election system as well as property management. In still another case, an improperly elected director simply resigned in order to save the association the cost for a meeting to authorize a recount.

The use of paper ballots has several issues:

- a. They are susceptible to fraud due to the ease of photocopying and color printing prior to the meeting.
- b. Property management must keep careful control of the ballots. If ballots are missing, it's practically impossible to retrieve them from an unknown owner or proxy holder.
- c. An owner can provide the owner's ballots to another owner and leave the meeting, thus providing the equivalent of unauthorized and unregulated proxy voting.
- d. The quorum may be lost due to an owner leaving the meeting after leaving his or her ballots with somebody else. Only a few observant individuals would know that.
- e. Occasionally an owner will question the quorum and this would significantly delay the process. Proper use of electronic voting devices can verify a quorum in seconds.
- f. Professional managers usually have 7 ballots per owner at an association meeting. Most meetings use only one or two ballots. The rest of the ballots are discarded and there is no information regarding ballots that end up in a landfill or are recycled.

The Condominium Property Act has no requirement nor regulation regarding "secret ballot". The word "ballot" appears in the Condominium Property Act, mainly in the context of mailing one to owners for approving various amendments to the Declaration or Bylaws, approving lease rent negotiations, or retaining meeting ballots for later owner inspection.

The integrity of the secret ballot process is usually entrusted to property management. They control the ballot packet distribution and ensure owners sign for their ballot packet before receiving it. Property management would distribute ballots authorized by proxy after everybody else has checked-in.

In contentious meetings, property management has required a photo identification card and ballot receipt signature before receiving the ballots and entering the meeting room.

Current Options with Secret Ballot:

Today, associations with a secret ballot requirement who want to use modern technology need to do either one of the following:

- a. Amend the bylaws to remove the secret ballot requirement.
- b. Implement scanning technology with a form of machine readable bar code and make sure the paper ballot redacts the name of the owner.

Amend the Bylaws:

A bylaw amendment is always possible, although quite difficult due to the high vote required.

Owner apathy has made a bylaw amendment of this type quite impractical because most condominium owners in my experience do not attend association meetings.

Owners leave it up to proxy-holders or other owners who attend to make decisions.

Therefore, many owners simply wouldn't be concerned with this issue because they don't go to association meetings. This apathy makes it difficult to amend the bylaws.

Implement Scanning Technology:

My experience with this scanning technology has been with several association meetings on Maui and a few associations on Oahu. It still takes a long time to visually check, stamp an audit number, and count, sometimes over an hour. Paper has been known to jam, thus requiring manual revisions, adding to the time requirements. Also, the scanning form is easily copied which creates an enhanced potential for fraud.

Technological Options:

The technology is available to provide an electronic voting device to owners upon check-in and retrieve them before they leave. An owner could be required to provide a photo identification card in order to obtain a uniquely identified electronic voting device. The device would be surrendered and the photo identification card returned.

Each electronic voting device has a unique number that would allow voting by pressing buttons and confirming the vote on the screen. The computer would provide voting results in less than a minute.

The surrendering of the electronic voting device upon leaving would also help to ensure that quorum calculations are realtime and accurate. Alternatively, the exchange of an identification

card with the electronic voting device ensures that the device inventory is always controlled.

The first time I saw the use of electronic voting devices was in 1998 with over 900 people at a convention on Maui. It took about 15 seconds to count the vote! I've also used the devices successfully for several years as a member at a national convention with over 300 people present. The voting is open for 15 seconds which could be extended and the results are practically instantaneous.

The 3 companies I've researched require no internet access for their electronic voting devices. A visual example of the process from one company is on the last page of this testimony.

Proposed Bill (Section 4):

This section of SB1288 SD1 allows condominium associations to use electronic voting as an alternative method of voting at a meeting.

It has 4 basic requirements:

- a. It requires that the board establish reasonable procedures to provide for the secrecy and integrity of the unit owners' votes.
- b. It requires availability of a printed audit trail containing the serial number of the electronic voting device, each common interest voted, and the vote that was tabulated
- c. It also requires that the printed audit trail be available to owners in the same manner as meeting records are currently available.
- d. It requires that the procedures established by the board be (a) available to owners at no charge and (b) available at any meeting at which the electronic voting device is used.

Security concerns:

The current use of paper ballots is easily compromised using today's camera technology. Individuals may arrive at a meeting with paper copies of ballots and there is minimal protection during the meeting. A properly secured electronic voting device with a paper audit trail provides a much higher level of integrity than the use of paper.

It is far more difficult and expensive to compromise these devices than to use a color copier to compromise a ballot.

Conclusion:

The proposed legislation provides for electronic voting devices as well as providing a requirement for reasonable procedures for security and integrity. This is a more accurate and potentially more secure than any other meeting method used in Hawaii condominiums today.

The bill simply permits condominium associations to utilize this technology if they wished. It is not mandatory; it simply provides associations with a tool for more efficient meetings.

Should there be a legislative need to codify more definitive procedures as part of this legislation, I would be happy to assist.

We ask that you approve SB1288 SD1.

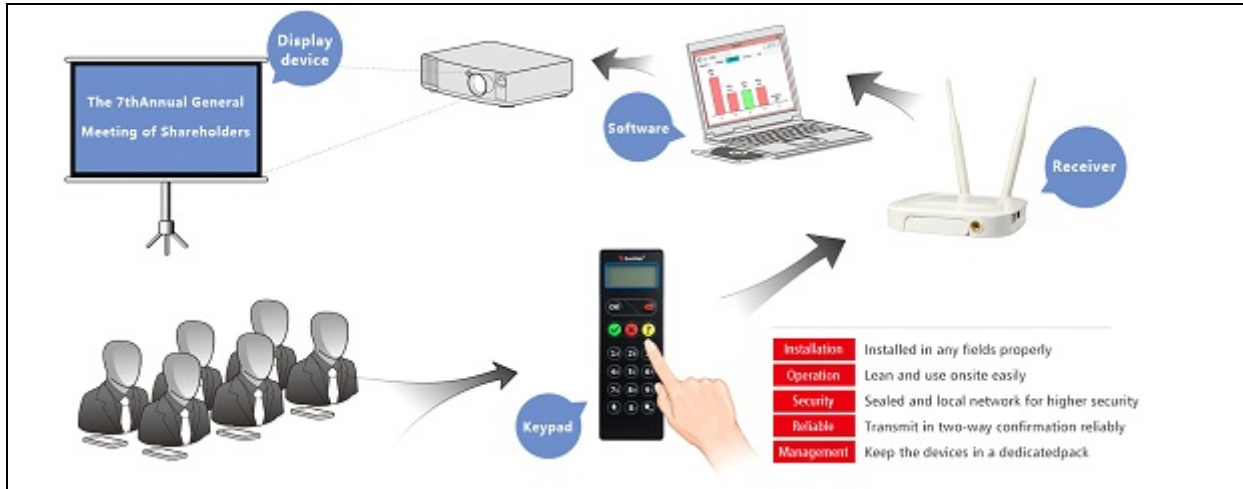
If you require any additional information, your call is most welcome. I may be contacted via phone: 423-6766 or by e-mail: Steveghi@Gmail.com. Thank you for the opportunity to present this testimony.

Sincerely,

Steve Glanstein, Professional Registered Parliamentarian
Chair, HSAP Legislative Committee

SG:tbs/Attachment

Sample of Electronic Voting Device Usage



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Submitted on: 3/11/2019 12:21:16 PM

Testimony for CPC on 3/12/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Clarke Farden	KEKUILANI VILLAS AOAO	Support	No

Comments:

Dear Representative Takumi, Chair, Representative Ichiyama, Vice Chair, and Members of the Committee:

I support S.B. 1288, S.D.1. It often takes a great deal of time to count ballots at elections held at condominium association annual meetings. This is especially true for condominium associations that have numerous different common interests allocations and/or where more than one election must be held because directors are elected by class. Electronic voting devices will not only speed up the election process, but such devices should help to ensure the accuracy of the vote count.

Respectfully submitted,

Clarke Farden

SB-1288-SD-1

Submitted on: 3/8/2019 3:43:16 PM

Testimony for CPC on 3/12/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Cathy Goeggel	Individual	Support	No

Comments:

SB-1288-SD-1

Submitted on: 3/10/2019 2:57:40 PM

Testimony for CPC on 3/12/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Anne Anderson	Individual	Support	No

Comments:

Dear Representative Takumi, Chair, Representative Ichiyama, Vice Chair, and Members of the Committee:

I support S.B. 1288, S.D.1. It often takes a great deal of time to count ballots at elections held at condominium association annual meetings. This is especially true for condominium associations that have numerous different common interests allocations and/or where more than one election must be held because directors are elected by class. Electronic voting devices will not only speed up the election process, but such devices should help to ensure the accuracy of the vote count.

Respectfully submitted,

M. Anne Anderson

SB-1288-SD-1

Submitted on: 3/10/2019 3:22:26 PM

Testimony for CPC on 3/12/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Bonnie Lau	Individual	Support	No

Comments:

Dear Representative Takumi, Chair, Representative Ichiyama, Vice Chair, and Members of the Committee:

I spent over 3 hours at our recent AOAO annual meeting . The effort and time could have been well spent if we did not need to wait for the manual counting.

I support S.B. 1288, S.D.1. Please pass this Bill.

Respectfully submitted,

Bonnie Lau

SB-1288-SD-1

Submitted on: 3/10/2019 9:28:42 PM

Testimony for CPC on 3/12/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
mary freeman	Individual	Support	No

Comments:

Dear Representative Takumi, Chair, Representative Ichiyama, Vice Chair, and Members of the Committee:

I support S.B. 1288, S.D.1. Frequently it takes time to count ballots at elections held at condominium association annual meetings. This is especially true for condominium associations that have numerous different common interests allocations and/or where more than one election must be held because directors are elected by class. Electronic voting devices will not only speed up the election process, but such devices should help to ensure the accuracy of the vote count.

Respectfully submitted,

Mary S. Freeman

Ewa Beach

SB-1288-SD-1

Submitted on: 3/11/2019 7:56:12 AM

Testimony for CPC on 3/12/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mark R. Hagadone, Ph.D., FACFE	Individual	Support	No

Comments:

I am in favor of permitting a condominium board to use electronic voting at any condominium association meeting.

SB-1288-SD-1

Submitted on: 3/11/2019 8:32:53 AM

Testimony for CPC on 3/12/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Paul A. Ireland Koftinow	Individual	Support	Yes

Comments:

Dear Representative Takumi, Chair, Representative Ichiyama, Vice Chair, and Members of the Committee:

I SUPPORT S.B. 1288, S.D.1. It often takes a great deal of time to count ballots at elections held at condominium association annual meetings. This is especially true for condominium associations that have numerous different common interests allocations and/or where more than one election must be held because directors are elected by class. Electronic voting devices will not only speed up the election process, but such devices should help to ensure the accuracy of the vote count.

Respectfully submitted,

Paul A. Ireland Koftinow

SB-1288-SD-1

Submitted on: 3/11/2019 8:33:16 AM

Testimony for CPC on 3/12/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Philip L. Lahne	Individual	Support	No

Comments:

Dear Representative Takumi, Chair, Representative Ichiyama, Vice Chair, and Members of the Committee:

I support S.B. 1288, S.D.1. It often takes a great deal of time to count ballots at elections held at condominium association annual meetings. This is especially true for condominium associations that have numerous different common interests allocations and/or where more than one election must be held because directors are elected by class. Electronic voting devices will not only speed up the election process, but such devices should help to ensure the accuracy of the vote count and avoid re-counts or re-votes due to errors in tabulating paper ballots.

Respectfully submitted,

Philip L. Lahne

SB-1288-SD-1

Submitted on: 3/11/2019 10:10:32 AM

Testimony for CPC on 3/12/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
R Laree McGuire	Individual	Support	No

Comments:

SB-1288-SD-1

Submitted on: 3/11/2019 1:46:40 PM

Testimony for CPC on 3/12/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lance S. Fujisaki	Individual	Support	No

Comments:

Dear Representative Takumi, Chair, Representative Ichiyama, Vice Chair, and Members of the Committee:

I support S.B. 1288, S.D.1. It often takes a great deal of time to count ballots at elections held at condominium association annual meetings. This is especially true for condominium associations that have numerous different common interests allocations and/or where more than one election must be held because directors are elected by class. Electronic voting devices will not only speed up the election process, but such devices should help to ensure the accuracy of the vote count.

Respectfully submitted,

Lance Fujisaki

SB-1288-SD-1

Submitted on: 3/11/2019 2:01:06 PM

Testimony for CPC on 3/12/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara J. Service	Individual	Comments	No

Comments:

If this bill passes, please assure that condo board members are not directly involved in the voting process.

SB-1288-SD-1

Submitted on: 3/11/2019 2:41:29 PM

Testimony for CPC on 3/12/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Philip Nerney	Individual	Support	Yes

Comments:

SB-1288-SD-1

Submitted on: 3/11/2019 3:34:08 PM

Testimony for CPC on 3/12/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Sandie Wong	Individual	Support	No

Comments:

I support SB1288, SD1.