HAWAI'I STATE ASSOCIATION OF PARLIAMENTARIANS
LEGISLATIVE COMMITTEE
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February 11, 2020

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 HB2562 with amendment; Hearing Date: February 12, 2020 at 2:05 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.

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 37 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 HB2562 with a couple of minor amendments.

**Summary of Bill:**

This Bill proposes to clarify and resolve several practical issues that have occurred in the past few years with both Condominium and Planned Community Association (PCA) meetings. It proposes:

**Section 1 (PCAs)**:

(a) Clarify the board member resignation process;
(b) Clarify the filling of interim vacancies by board members to be similar to the filling of interim vacancies in Condominium Property Regimes;
(c) Clarify that the right to vote is reserved to the owners.

**Section 2**:

(a) Clarify the resignation process for board members in Condominium Associations;

(b) Clarify that notice will be a requirement for removals in Planned Community Associations.

I will address each issue by topic.

## A. Resignation Process

Both Condominium Property Regimes and PCAs are required to use the most current edition of Robert's Rules of Order Newly Revised (11th ed.) ("*Robert's Rules*")

*Robert's Rules*, p. 291 states in part, "If a member who has accepted an office, committee assignment, or other duty finds that he is unable to perform it, he should submit his resignation. A resignation is submitted in writing, addressed to the secretary or appointing power; alternatively, it may be submitted during a meeting either orally or in writing.* By submitting a resignation, the member is, in effect, requesting to be excused from a duty. The chair, on reading or announcing the resignation, can assume a motion 'that the resignation be accepted.'" *[External footnote omitted.]*

Unfortunately, this has proven to be insufficient to clearly define if a resignation has actually been presented.

For example, in one meeting, a board member, apparently angry at some activity stated, "I quit" and walked out. The board then immediately filled the vacancy and found out later that the member meant that he quit a committee. In another case, the member stated later that he only quit the meeting. The "I quit" statement by a non-native speaker may have related to a specific issue rather than a position on the board.

The "I quit" has also been used to take advantage of a contentious situation and eliminate a minority member from the board, even if the minority member's intention was entirely different.

Another case occurred when a director said that he would resign without stating the position he was resigning from. This left it up to the board at the next meeting.

Another case occurred when a director said that he was resigning and the president decided that he wouldn't accept the resignation. This led to ambiguity and uncertainty regarding the composition of the board.

The proposed change would clarify that a resignation at the meeting would need to be confirmed at the same meeting.

We suggest avoidance of the word, "accept" because service on the board of directors is voluntary.

The board should always have the option to confirm the resignation. Regardless of whether the president wishes to permit it, the board should also have the option to confirm a resignation. I have been asked to consider wording that would allow the board to vote to confirm the resignation should the president refuse to confirm it.

Suggested alternate wording for Section 2 on page 2, lines 13-15 is:

"(1) Orally at a meeting of the board of directors, either confirmed by majority vote at the same meeting, or confirmed verbally or in writing by the presiding officer at the same meeting; or"

## B. Filling of Interim Vacancies

Several years ago, the law was amended to limit the filling of vacancies by the board of directors of a condominium association to the next annual or properly noticed special association meeting (2014 Act 189, §4). In our view, this has worked well, ensuring that the filling of vacancies by the board of directors is an **interim process** and that all board appointments are accountable to the condominium ownership.

PCA boards have taken different positions on the filling of vacancies, depending upon the individuals involved. It is further aggravated with bylaws containing ambiguous phrases or even the omission of specific wording for filling vacancies. This has lead to different interpretations, depending on the political situation, property management company, and board of directors.

This proposal is to provide the same accountability and protection for the process with PCAs that currently exists with condominium associations.

## C. Clarification of the Right to Vote in Planned Community Association Meetings

The bill proposes to clarify that votes cast at a PCA meeting are by owners ot their proxyholders.

Several developers have created association documents that created a community association **form of electoral college**. The owners of various sub-associations would elect a Voting Member and the Voting Member would have authority to amend the documents as well as elect the governing board of directors.

This process has already been challenged in a case against Kaanapali Golf Estates. The 3 arbitrators ruled unanimously that this system had the effect of depriving owners of the right to vote for directors and the design feature was unconscionable.

That particular association was ordered to conduct elections directly by vote of the owners. Since it was an arbitration it didn't affect other similar PCAs.

A similar governance situation exists with Kehalani on Maui[1] and Sea Country on Oahu[2]. In the case of Sea Country on Oahu, they simply ignored the process because it was "impractical" and are currently attempting to amend their documents.

I suggest, as a matter of policy, that the legislature consider removing any doubt that owners or their proxyholders are the voters for official association action rather than surrendering that vote to Voting Members who act as an "electoral college".

## D. Clarification that notice is a requirement for removals in Planned Community Associations

The bill proposes to clarify that **notice** should be a requirement for removal of one or more directors at a PCA meeting.

Condominium Associations have a defined voting requirement of a majority of the common interest for removal with slight adjustments for mixed use representation on the board. The same model won't work with PCAs because they may have thousands of owners.

Some PCAs don't even have a vote requirement for a successful removal of one or more directors. It would then default to a majority vote or possibly a majority of the ownership that is present at the meeting. The complexity increases if they're incorporated. A separate bill (HB2563) proposes to correct that issue.

There have been different legal opinions regarding whether a removal motion may be introduced by a homeowner at an annual meeting. HRS §421J-3.5 addresses a proposal to remove a director. If a board wishes to allow the removal, then they can contact one Hawaii law firm. If they wish to prohibit the removal, then they can contact another Hawaii law firm. This is unacceptable from a policy perspective.

The liberal interpretation of HRS §421J-3.5 would allow a large temporary majority to show up at an association meeting such as Mililani Town Association or Waikoloa Village Association and surprise everybody by removing the entire board. Both of these associations have a mail ballot but they still conduct an annual meeting. Mililani Town Association's May 2, 1968 bylaws don't reference removal so a large temporary and angry majority could prospectively remove the entire board. Since there are separate legal opinions on this type of issue, I suggest that it be clarified through the legislative process.

The bill proposes to require previous notice of any proposed removal of one or more directors. It also obligates the association to place it on the notice if a request is made

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[1] Document Numbers 95-040251 and 96-136396 recorded in Land Court.

[2] Document Numbers 2919955 and 2003-075374 recorded in Land Court and the Bureau of Conveyances

by any member. This would add an element of fairness to the process and place all owners on notice if a removal procedure was anticipated.

There are a few suggested housekeeping amendments to Section 3 (page 4). **The board or president usually appoints committees in the bylaws.** Committees shouldn't be referenced in the change to HRS §421J–3.5 because the appointment to committees is rarely related to the business of an association's annual meeting. There's also a minor typographical error. suggest page 4, lines 3-8 be amended to read:

> "(c) To remove a member of the board **[~~or any committee~~]**, a proposal to remove the member of the board shall be included in the notice of the meeting. The proposal shall be included **[~~on~~] in** the notice upon written request of any association member made at least fourteen days prior to the distribution of the notice for the meeting."

**We ask that you pass the bill with minor amendments.**

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

Sincerely,

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

**HB-2562**
Submitted on: 2/11/2020 10:18:55 AM
Testimony for CPC on 2/12/2020 2:05:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---|---|---|---|
| Mark McKellar | Law Offices of Mark K. McKellar, LLLC | Oppose | No |

Comments:

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

I oppose H.B. 2562 for the following reasons:

SECTION 1:

Section 421J-___ Board; resignation

I agree with the language that a member of the board may resign “at a meeting of the board of directors.” However, I object to, “confirmed verbally or in writing by the presiding officer at the same meeting.” The declaration that a board member has resigned is sufficient to establish the resignation. The additional language may create confusion over whether the resignation was effective. For example, disputes may arise over whether the presiding officer’s words at the meeting were sufficient to “confirm verbally” the resignation. This will lead to uncertainty, disputes and potential litigation. Additionally, the phrasing of subsection (1) is confusing because it is not clear whether the words “at the same meeting” refer to the time the confirmation of the resignation must be given or to the identity of the presiding officer (i.e., the presiding officer at the meeting).

I agree that resignations may be communicated in writing, which is consistent with HRS Section 414D-137. However, Section 414D-137 permits the written notice to be sent to the board of directors, in addition to the presiding officer, or to the president or secretary. The language in Section 414D-137 is superior to that contained in this bill. In

addition, the need for a signature by the resigning member raises questions as to how the signature may be provided. For example, will a text message, instant message or e-mail suffice for a “writing . . . signed by the resigning member”?

Additionally, these sections erroneously refer to the president and secretary as being officers of the “board”. The officers are almost always described as officers of the “association” in the governing instruments. This reference may create confusion because there may be no officers “of the board.”

Section 421J-___ Board; vacancies

This provision states that a director serves until the next annual meeting or duly noticed special meeting of the association. This provision should be amended to include the following language found in HRS Section 514B-106(b): “Notice of a special association meeting to fill vacancies shall include notice of the election. Any special association meeting to fill vacancies shall be held on a date that allows sufficient time for owners to declare their intention to run for election and to solicit proxies for that purpose.”

It is important that owners be provided notice of the election to fill vacancies and that they have the right to solicit proxies for that purpose.

§421J-___ Right to vote.

1. provision will create major problems for many planned community associations. Several large planned community associations in Hawai`i require members to elect “voting members” who attend association meetings and cast votes on behalf of the members. This provision will eliminate the “voting member” process in the articles or bylaws of such associations and may require the associations to incur significant expenses by having to comply with the law. Some of the associations that have “voting member” provisions in their bylaws have thousands of members. They relied upon these provisions when they bought their lots. Changing voting rights and procedures for these associations will radically change the way they have operated for many years or decades and may constitute an unlawful impairment of contract.

SECTION 2:

Section 514B-___ Board; resignation

The concerns expressed under Section 1 above regarding board resignations under HRS Chapter 421J apply here and are incorporated herein by reference.

SECTION 3:

The bill proposes to add a new Section 421J-3.5(c) regarding removal. It also deletes the right of members to propose to remove a member of the board without notice at association meetings. If this bill is adopted, members will not have the right to make a motion to remove board members at association meetings, unless notice was given before the meeting. By comparison, HRS Section 514B-106(f) provides: “At any regular or special meeting of the association, any member of the board may be removed and successors shall be elected for the remainder of the term to fill the vacancies thus created.”

While the notice requirement is not objectionable, the bill states that the request by a member proposing removal must be made at least 14 days before distribution of the notice of the meeting. However, members may not know when the notice of the meeting will be distributed, particularly in the case of special meetings. Members may not know about special meetings until the notice is received. Thus, it may be impossible for members to satisfy the notice requirement.

Additionally, the bill would allow any **one** owner to request that removal of directors be included in the notice and placed on the agenda for a meeting. This may be used by individual owners who have disputes with their boards to use this section to harass the board. To place removal on the meeting notice, a specified percentage of owners should be required

The reference to removal of committee members in the first sentence of Section 421J-3.5(c) should be removed. Committee members are typically appointed by the presiding officer or board and report to the board. The procedures discussed in Section 421J-3.5(c) do not address how committee members may be removed by members.

For the reasons stated herein, I oppose H.B. 2562.

Respectfully submitted,

Mark McKellar

**HB-2562**
Submitted on: 2/10/2020 1:47:07 PM
Testimony for CPC on 2/12/2020 2:05:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---|---|---|---|
| Richard Emery | Associa | Support | No |

Comments:

We support this Bill with the amendments proposed by CAI.

HAWAII CHAPTER
community
ASSOCIATIONS INSTITUTE

February 11, 2020

VIA WEB TRANSMITTAL

Hearing Date: Wednesday, February 12, 2020
Time: 2:05 p.m.
Place: Conference Room 329

Committee on Consumer Protection & Commerce
House of Representatives, the 30th Legislature
Regular Session of 2020

Re: Community Associations Institute's **Testimony in support of** HB 2562

Dear Chair Takumi, Vice Chair Ichiyama and Committee members:

I am a member of the Hawaii Chapter of the Community Associations Institute Legislative Action Committee ("CAI"). We represent the condominium and community association industry and submit this testimony in support of HB 2562 with one amendment for the following reasons:

Section 1 of HB 2562 proposes adding three (3) new sections to Chapter 421J governing Planned Community Associations ("PCA"). The new sections clarify the board resignation process, clarify that the board may fill board vacancies only on an interim basis until the next annual meeting or a duly noticed special meeting, and clarify that the right to vote may be exercised by only members of the PCA or through their permitted proxies. None of these topics were previously addressed in Chapter 421J and all provide important guidance to members of PCAs and their boards.

Section 2 of HB 2562 proposes adding a new section to Chapter 514B governing Condominium Property Regimes ("CPR"). The new section specifies the board resignation process and clarifies exactly what is required to ensure that a member of the board's resignation is effective. The specified process will alleviate the ambiguity that often results with the submission of a board member's resignation.

Section 3 of HB 2562 proposes an amendment to HRS 421J-3.5 governing the notice requirements for annual and special meetings for PCAs. The amendment proposes to add a new subsection (c) that will require that advance notice be given to owners in order "[t]o remove a member of the board or any committee[.]" This ensures that all owners are given advance notice of the proposed removal and further ensures that all owners can participate in the vote to remove should they choose to do so.

With regard to Section 3, we propose an amendment to remove the language "or any committee," because committees are typically appointed by the board or the board president in accordance with the governing documents. Moreover, committee appointments generally occur during board meetings and are not part of the agenda of an annual or special meeting.

Based on the foregoing, we respectfully submit that HB 2562 should be passed out of Committee with one amendment. Thank you for your time and consideration.

Sincerely yours,

/s/ R. Laree McGuire
R Laree McGuire
CAI LAC Hawaii

**HB-2562**
Submitted on: 2/11/2020 10:11:00 AM
Testimony for CPC on 2/12/2020 2:05:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---|---|---|---|
| Anne Anderson | Individual | Oppose | No |

Comments:

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

I oppose H.B. 2562 for the following reasons:

SECTION 1:

Section 421J-___ Board; resignation

I agree with the language that a member of the board may resign "at a meeting of the board of directors." However, I object to, "confirmed verbally or in writing by the presiding officer at the same meeting." The declaration that a board member has resigned is sufficient to establish the resignation. The additional language may create confusion over whether the resignation was effective. For example, disputes may arise over whether the presiding officer's words at the meeting were sufficient to "confirm verbally" the resignation. This will lead to uncertainty, disputes and potential litigation. Additionally, the phrasing of subsection (1) is confusing because it is not clear whether the words "at the same meeting" refer to the time the confirmation of the resignation must be given or to the identity of the presiding officer (i.e., the presiding officer at the meeting).

I agree that resignations may be communicated in writing, which is consistent with HRS Section 414D-137. However, Section 414D-137 permits the written notice to be sent to the board of directors, in addition to the presiding officer, or to the president or secretary. The language in Section 414D-137 is superior to that contained in this bill. In addition, the need for a signature by the resigning member raises questions as to how the signature may be provided. For example, will a text message, instant message or e-mail suffice for a "writing . . . signed by the resigning member"?

Additionally, these sections erroneously refer to the president and secretary as being officers of the "board". The officers are almost always described as officers of the "association" in the governing instruments. This reference may create confusion because there may be no officers "of the board."

Section 421J-___ Board; vacancies

This provision states that a director serves until the next annual meeting or duly noticed special meeting of the association. This provision should be amended to include the following language found in HRS Section 514B-106(b): "Notice of a special association meeting to fill vacancies shall include notice of the election. Any special association meeting to fill vacancies shall be held on a date that allows sufficient time for owners to declare their intention to run for election and to solicit proxies for that purpose."

It is important that owners be provided notice of the election to fill vacancies and that they have the right to solicit proxies for that purpose.

§421J-___ Right to vote.

This provision will create major problems for many planned community associations. Several large planned community associations in Hawai`i require members to elect "voting members" who attend association meetings and cast votes on behalf of the members. This provision will eliminate the "voting member" process in the articles or bylaws of such associations and may require the associations to incur significant expenses by having to comply with the law. Some of the associations that have "voting member" provisions in their bylaws have thousands of members. They relied upon these provisions when they bought their lots. Changing voting rights and procedures for these associations will radically change the way they have operated for many years or decades and may constitute an unlawful impairment of contract.

SECTION 2:

Section 514B-___ Board; resignation

The concerns expressed under Section 1 above regarding board resignations under HRS Chapter 421J apply here and are incorporated herein by reference.

SECTION 3:

The bill proposes to add a new Section 421J-3.5(c) regarding removal. It also deletes the right of members to propose to remove a member of the board without notice at association meetings. If this bill is adopted, members will not have the right to make a motion to remove board members at association meetings, unless notice was given before the meeting. By comparison, HRS Section 514B-106(f) provides: "At any regular or special meeting of the association, any member of the board may be removed and successors shall be elected for the remainder of the term to fill the vacancies thus created."

While the notice requirement is not objectionable, the bill states that the request by a member proposing removal must be made at least 14 days before distribution of the notice of the meeting. However, members may not know when the notice of the meeting will be distributed, particularly in the case of special meetings. Members may not know

about special meetings until the notice is received. Thus, it may be impossible for members to satisfy the notice requirement.

Additionally, the bill would allow any one owner to request that removal of directors be included in the notice and placed on the agenda for a meeting. This may be used by individual owners who have disputes with their boards to use this section to harass the board. To place removal on the meeting notice, a specified percentage of owners should be required

The reference to removal of committee members in the first sentence of Section 421J-3.5(c) should be removed. Committee members are typically appointed by the presiding officer or board and report to the board. The procedures discussed in Section 421J-3.5(c) do not address how committee members may be removed by members.

For the reasons stated herein, I oppose H.B. 2562.

Respectfully submitted,

M. Anne Anderson

**HB-2562**
Submitted on: 2/11/2020 10:20:28 AM
Testimony for CPC on 2/12/2020 2:05:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---|---|---|---|
| Lance S. Fujisaki | Individual | Oppose | No |

Comments:

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

I oppose H.B. 2562 for the following reasons:

**SECTION 1:**

Section 421J-___ Board; resignation

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Additionally, these sections erroneously refer to the president and secretary as being officers of the "board". The officers are almost always described as officers of the "association" in the governing instruments. This reference may create confusion because there may be no officers "of the board."

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For the reasons stated herein, I oppose H.B. 2562.

Respectfully submitted,

Lance Fujisaki

**HB-2562**
Submitted on: 2/11/2020 10:25:26 AM
Testimony for CPC on 2/12/2020 2:05:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---|---|---|---|
| Bradford Lee Hair | Individual | Oppose | No |

Comments:

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

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For the reasons stated herein, I oppose H.B. 2562.

Respectfully submitted,

Bradford Lee Hair

**HB-2562**
Submitted on: 2/11/2020 10:35:17 AM
Testimony for CPC on 2/12/2020 2:05:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---|---|---|---|
| mary freeman | Individual | Oppose | No |

Comments:

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

I oppose H.B. 2562 for the following reasons:

SECTION 1:

Section 421J-___ Board; resignation

I agree with the language that a member of the board may resign “at a meeting of the board of directors.” However, I object to, “confirmed verbally or in writing by the presiding officer at the same meeting.” The declaration that a board member has resigned is sufficient to establish the resignation. The additional language may create confusion over whether the resignation was effective. For example, disputes may arise over whether the presiding officer’s words at the meeting were sufficient to “confirm verbally” the resignation. This will lead to uncertainty, disputes and potential litigation. Additionally, the phrasing of subsection (1) is confusing because it is not clear whether the words “at the same meeting” refer to the time the confirmation of the resignation must be given or to the identity of the presiding officer (i.e., the presiding officer at the meeting).

I agree that resignations may be communicated in writing, which is consistent with HRS Section 414D-137. However, Section 414D-137 permits the written notice to be sent to the board of directors, in addition to the presiding officer, or to the president or secretary. The language in Section 414D-137 is superior to that contained in this bill. In addition, the need for a signature by the resigning member raises questions as to how

the signature may be provided. For example, will a text message, instant message or e-mail suffice for a “writing . . . signed by the resigning member”?

Additionally, these sections erroneously refer to the president and secretary as being officers of the “board”. The officers are almost always described as officers of the “association” in the governing instruments. This reference may create confusion because there may be no officers “of the board.”

Section 421J-___ Board; vacancies

This provision states that a director serves until the next annual meeting or duly noticed special meeting of the association. This provision should be amended to include the following language found in HRS Section 514B-106(b): “Notice of a special association meeting to fill vacancies shall include notice of the election. Any special association meeting to fill vacancies shall be held on a date that allows sufficient time for owners to declare their intention to run for election and to solicit proxies for that purpose.”

It is important that owners be provided notice of the election to fill vacancies and that they have the right to solicit proxies for that purpose.

§421J-___ Right to vote.

1. provision will create major problems for many planned community associations. Several large planned community associations in Hawai`i require members to elect “voting members” who attend association meetings and cast votes on behalf of the members. This provision will eliminate the “voting member” process in the articles or bylaws of such associations and may require the associations to incur significant expenses by having to comply with the law. Some of the associations that have “voting member” provisions in their bylaws have thousands of members. They relied upon these provisions when they bought their lots. Changing voting rights and procedures for these associations will radically change the way they have operated for many years or decades and may constitute an unlawful impairment of contract.

SECTION 2:

Section 514B-___ Board; resignation

The concerns expressed under Section 1 above regarding board resignations under HRS Chapter 421J apply here and are incorporated herein by reference.

SECTION 3:

The bill proposes to add a new Section 421J-3.5(c) regarding removal. It also deletes the right of members to propose to remove a member of the board without notice at association meetings. If this bill is adopted, members will not have the right to make a motion to remove board members at association meetings, unless notice was given before the meeting. By comparison, HRS Section 514B-106(f) provides: “At any regular or special meeting of the association, any member of the board may be removed and successors shall be elected for the remainder of the term to fill the vacancies thus created.”

While the notice requirement is not objectionable, the bill states that the request by a member proposing removal must be made at least 14 days before distribution of the notice of the meeting. However, members may not know when the notice of the meeting will be distributed, particularly in the case of special meetings. Members may not know about special meetings until the notice is received. Thus, it may be impossible for members to satisfy the notice requirement.

Additionally, the bill would allow any **one** owner to request that removal of directors be included in the notice and placed on the agenda for a meeting. This may be used by individual owners who have disputes with their boards to use this section to harass the board. To place removal on the meeting notice, a specified percentage of owners should be required

The reference to removal of committee members in the first sentence of Section 421J-3.5(c) should be removed. Committee members are typically appointed by the presiding officer or board and report to the board. The procedures discussed in Section 421J-3.5(c) do not address how committee members may be removed by members.

For the reasons stated herein, I oppose H.B. 2562.

Respectfully submitted,

Mary S. Freeman

**HB-2562**
Submitted on: 2/11/2020 12:33:36 PM
Testimony for CPC on 2/12/2020 2:05:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---|---|---|---|
| Paul A. Ireland Koftinow | Individual | Oppose | No |

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For the reasons stated herein, I oppose H.B. 2562.

Respectfully submitted,

Paul A. Ireland Koftinow

**Sandra-Ann Y.H. Wong**
*Attorney at Law, a Law Corporation*

*1050 Bishop Street, #514*
*Honolulu, Hawaii 96813*

**TESTIMONY WITH COMMENT AND PROPOSED AMENDMENT TO HB 2562**
Before the Committee on Consumer Protection & Commerce
on Wednesday, February 12, 2020 at 2:05p.m.
in Conference Room 329

Aloha Chair Takumi, Vice Chair Ichiyama, and members of the Committee:

I have been a condominium owner in Hawaii for the last 28 years and I have served both past and present on my condominium boards.

If the Committee is inclined to pass out HB2562, I would respectfully request that the following amendment be included[1] regarding resignations under HRS 514B:

A member of the board of directors may resign from the board at any time; provided that the resignation shall only be effective if the resignation is presented:

(1) Orally at a meeting of the broad of directors and confirmed verbally or in writing by the presiding officer **or by motion of the board** at the same meeting; or

(2) In writing to the president or secretary of the board, signed by the resigning member of the board."

This amendment is necessary in cases where the presiding officer has his/her own agenda or is ineffective.

Thank you for the opportunity to provide my proposed amendment.

[1] I have discussed this proposed amendment with the Proponent of this bill and my understanding is that the Proponent has no objections.

**HB-2562**
Submitted on: 2/11/2020 11:04:42 PM
Testimony for CPC on 2/12/2020 2:05:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---|---|---|---|
| Jane Sugimura | Hawaii Council for Assoc. of Apt. Owners | Support | No |

Comments:

HCCA supports the form and content of this bill and incorporates by referrnce the testimony of Steve Glanstein in support of this bill.