

Honolulu, Hawaii
March 21, 2014

RE: S.B. No. 3127
S.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which
was referred S.B. No. 3127, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to establish provisions for
the failure of a condominium association to obtain a quorum at the
first annual meeting of the association.

The measure also:

- (1) Authorizes the board of an association managed by a
managing agent to employ and terminate a managing agent;
- (2) Authorizes the termination of a managing agent by a vote
of a majority of the unit owners at an association
meeting; and
- (3) Exempts certain projects that are subject to time
sharing or similar arrangements from the provision in
this measure relating to the employment and termination
of a managing agent.

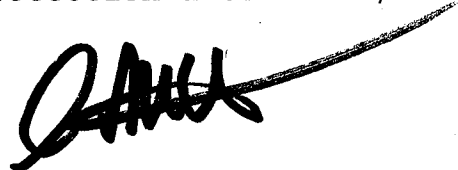
The Hawaii State Association of Parliamentarians, the
Community Associations Institute, and one individual provided
testimony in support of the measure. One individual provided
testimony in opposition of the measure.



Your Committee finds that a majority of unit owners currently has the power to remove and replace the board of directors of a condominium association at an association meeting. Therefore, it follows that a majority of unit owners should also have the authority to order the board to replace the managing agent. Your Committee believes that this measure will provide unit owners with a safety net if a majority of unit owners disagrees with the board's retention of a managing agent.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3127, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



