

Honolulu, Hawaii

FEB 14, 2020

RE: H.B. No. 2562

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2562 entitled:

"A BILL FOR AN ACT RELATING TO COMMON INTEREST COMMUNITIES,"

begs leave to report as follows:

The purpose of this measure is to clarify certain provisions relating to the governance of common interest communities in the State. Specifically, this measure:

- (1) For planned community associations:
 - (A) Specifies the manner in which a member of the board of directors may resign and may be removed;
 - (B) Specifies the time period for which the board of directors shall fill a vacancy; and
 - (C) Specifies that members of the planned community association possess the right to vote at an association meeting; and
- (2) For condominium associations, specifies the manner in which a member of the board of directors may resign.



Your Committee received testimony in support of this measure from the Hawaii State Association of Parliamentarians, Associa, Hawaii Chapter of the Community Associations Institute Legislative Action Committee, and Hawaii Council of Associations of Apartment Owners. Your Committee received testimony in opposition to this measure from six individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that existing law governing common interest communities requires clarification to avoid further disputes. This measure seeks to clarify and resolve several practical issues that have occurred in both condominium and planned community association meetings.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to encourage further discussion.

Your Committee notes that this measure is a work in progress and is being advanced through the legislative process to provide time for the stakeholders of this measure to resolve their differences.

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 H.B. No. 2562, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2562, H.D. 1, and be referred to your Committee on Judiciary.

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



ROY M. TAKUMI, Chair



