

STAND. COM. REP. NO.

745

Honolulu, Hawaii

MAR 04 , 2021

RE: H.B. No. 599
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 599 entitled:

"A BILL FOR AN ACT RELATING TO ASSOCIATION GOVERNANCE,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Specify the notice requirements for regular annual or special meetings of a cooperative housing corporation; and
- (2) Authorize cooperative housing corporations, planned community associations, and condominium associations to conduct regular annual meetings by videoconferencing in the event of a pandemic or other similar unforeseen circumstance that prevents owners from physically gathering for a meeting.

Your Committee received testimony in support of this measure from the Hawai'i State Association of Parliamentarians Legislative Committee, Honolulu Tower Association of Apartment Owners, Community Associations Institute, Hawaii Council of Associations of Apartment Owners, Associa, and five individuals.

2021-2044 HB599 HD1 HSCR HMSO



Your Committee finds that the COVID-19 pandemic has demonstrated the need to allow certain organizations the flexibility to continue to conduct their business and address matters in a manner that does not place persons at risk. Your Committee further finds that many organizations are successfully adapting to the COVID-19 pandemic by conducting their business through electronic communication, specifically through videoconference technology.

Your Committee notes the testimony received for its public hearing, which indicated that certain amendments proposed by this measure that would permit cooperative housing corporations and planned community associations to conduct meetings via videoconferencing are unnecessary, as the Hawaii Nonprofit Corporations Act already permits these types of associations to conduct annual meetings.

Your Committee has amended this measure by:

- (1) Deleting provisions relating to cooperative housing corporation meetings;
- (2) Clarifying that planned community associations may conduct meetings remotely consistent with the Hawaii Nonprofit Corporations Act, rather than authorizing planned community associations to conduct meetings through videoconferencing in the event of a pandemic or other similar unforeseen circumstance;
- (3) Broadening the authorization for condominium associations to:
 - (A) Conduct electronic meetings and electronic, machine, or mail voting, rather than just videoconferencing; and
 - (B) Conduct meetings and voting during a state of emergency, rather than a pandemic or other similar unforeseen circumstance;
- (4) Changing the effective date to January 1, 2050, to encourage further discussion; and



- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 599, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 599, H.D. 1, and be placed on the calendar for Third Reading.

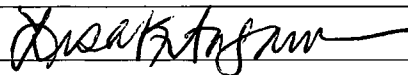
Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



AARON LING JOHANSON, Chair



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: <u>HB 599</u>	Committee Referral: <u>CPC</u>	Date: <u>2/25/21</u>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	✓			
2. KITAGAWA, Lisa (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. HAR, Sharon E.	✓			
5. HASHEM, Mark J.	✓			
6. KONG, Sam Satoru				✓
7. MIZUNO, John M.	✓			
8. MORIKAWA, Dee	✓			
9. ONISHI, Richard H.K.	✓			
10. TARNAS, David A.	✓			
11. MATSUMOTO, Lauren	✓			
TOTAL (11)	<u>10</u>	<u>0</u>	<u>0</u>	<u>1</u>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u></u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				