

STAND. COM. REP. NO.

1522

Honolulu, Hawaii

APR 05 2021

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

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 599, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Clarify that planned community associations may conduct meetings remotely consistent with the Hawaii Nonprofit Corporations Act; and
- (2) Authorize condominium associations to conduct electronic meetings and electronic, machine, or mail voting in a state of emergency or local state of emergency, or any meeting noticed during such emergencies and for which the applicable emergency has since expired.

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



Your Committee finds that, due to coronavirus disease 2019 pandemic restrictions and social distancing requirements, it has been difficult, if not impossible, for many associations to hold annual meetings. Your Committee notes this measure reflects consensus language between stakeholders to clarify that planned community associations may hold meetings remotely; enable condominium associations to hold electronic meetings and use electronic, machine, and mail voting for annual and special association meetings during any period in which there is a state of emergency or local state of emergency; and allow condominium associations to hold electronic meetings when there is no state of emergency if otherwise authorized by the association's governing documents. This measure will therefore lend associations greater flexibility to continue to conduct their important business when face-to-face meetings are not possible or during other states of emergency.

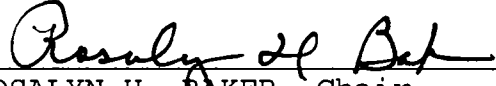
Your Committee has amended this measure by:

- (1) Clarifying the notice requirements for regular, annual, and special planned community association meetings;
- (2) Inserting language clarifying certain conflicting provisions in section 541B-121, Hawaii Revised Statutes;
- (3) Inserting an effective date of January 1, 2022; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 599, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 599, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.



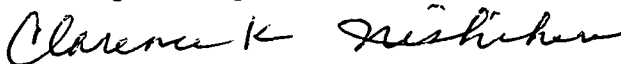
Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,

  
\_\_\_\_\_  
ROSALYN H. BAKER, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

|  |                                   |                            |          |          |
|--|-----------------------------------|----------------------------|----------|----------|
| Bill / Resolution No.:*<br><b>HB599 HD1</b>  | Committee Referral:<br><b>CPN</b> | Date:<br><b>03.25.2021</b> |          |          |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____  |                                   |                            |          |          |
| The Recommendation is:<br><input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313         |                                   |                            |          |          |
| Members  | Aye                               | Aye (WR)                   | Nay      | Excused  |
| BAKER, Rosalyn H. (C)  | /                                 |                            |          |          |
| CHANG, Stanley (VC)  | /                                 |                            |          |          |
| MISALUCHA, Bennette E.   | /                                 |                            |          |          |
| NISHIHARA, Clarence K.   | /                                 |                            |          |          |
| RIVIERE, Gil   | /                                 |                            |          |          |
| SAN BUENAVENTURA, Joy A.   | /                                 |                            |          |          |
| FEVELLA, Kurt  |                                   |                            |          | /        |
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| <b>TOTAL</b>   | <b>6</b>                          | <b>-</b>                   | <b>-</b> | <b>1</b> |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted   |                                   |                            |          |          |
| Chair's or Designee's Signature:<br>  |                                   |                            |          |          |
| <b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod<br>File with Committee Report    Clerk's Office            Drafting Agency        Committee File Copy |                                   |                            |          |          |

\*Only one measure per Record of Votes