EXECUTIVE CHAMBERS

HONOLULU

LINDA LINGLE
GOVERNOR

July 12, 2006

The Honorable Robert Bunda, President
and Members of the Senate
Twenty-Third State Legislature
State Capitol, Room 003
Honolulu, Hawaii 96813

Dear Mr. President and Members of the Senate:

Re: Senate Bill No. 2193 SD1 HD1 CD1

On July 11, 2006, Senate Bill No. 2193, entitled "A Bill for an Act Relating to Planned Community Associations" became law without my signature, pursuant to Section 16 of Article III of the Constitution of the State of Hawaii.

This bill addresses issues of access to board meetings and association documents of planned community associations.

While the bill contains some provisions that would give homeowners in planned communities greater access to information about the management of their association, the bill also contains some provisions that might work to exclude homeowner participation in the affairs of their community.

Most notably, the bill deletes from current law the requirement that board meeting minutes include the recorded votes of board members. Deleting this provision could be construed to remove the accountability for actions of the board members. It may also make it more difficult to identify potential conflicts of interest when a board member should have abstained from voting.

Second, the bill allows for the examination of board meeting minutes but deletes language that allows for the review of the association's meeting minutes. Since association business is conducted at both types of meetings, it is unclear why the legislation allows homeowners to review one set of documents but not the other set of documents.

Third, the bill allows the Planned Community Association Board to set up committees and subcommittees at various times and places and requires that the members of the committees and subcommittees be identified by name. This seems reasonable. However, the bill also allows the Board to eliminate committees and subcommittees without regard to the fact that some

committees are established as a result of requirements placed on the development by the counties as a condition of approval.

Finally, some members of planned communities have expressed concern that this bill could be interpreted to allow homeowner input on matters on a board agenda, but would preclude homeowners from commenting on important matters not on a board agenda. They believe this could lead to some boards deliberately not putting sensitive topics up for discussion.

The bill contains provisions indicating planned community meetings should be open, ensures that minutes are available to the members, and requires detailed financial information to be made available for inspection.

For the foregoing reasons, I allowed Senate Bill No. 2193 to be come law as Act 312 effective July 11, 2006 without my signature.

Sincerely,

LINDA LINGLE