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Natural Foods
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Kim Coco Iwamoto
Enlightened Energy
Honolulu

Chamber of
Sustainable
Commerce
P.O. Box 22394
Honolulu, HI
96823



Sen. Jarrett Keohokalole, Chair
Sen. Carol Fukunaga, Vice-Chair
Comm. on Commerce & Consumer Protection

Tuesday, February 6, 2024
9:30 AM
Via Videoconference

RE: **SB2404** Prohibits Use of Proxy Votes - **Support**

Dear Chair Keohokalole, Vice Chair Fukunaga & Committee Members,

The Chamber of Sustainable Commerce represents over 100 small businesses across the State of Hawaii that strive for a triple bottom line: people, planet and prosperity; we know Hawaii can strengthen its economy without hurting workers, consumers, communities or the environment. This is why we support SB2404, which prohibits the use of proxies in condominium association voting, requires associations to allow members to vote by mail and attend and cast votes in association meetings through internet, teleconference, or other electronic transmission technology and requires associations to mail out paper ballots before any annual or other periodic election of board members.

Proxy voting unfairly benefits the incumbent directors seeking reelection to the association board and the contracted community management company. Management companies have the personal phone numbers, email addresses, and mailing addresses for every condo owner; they are in a position to use their unique access to each condo owner to collect proxy votes to support a particular board member – perhaps a member who has committed to renew their management contract or overlook lapses in the quality of service provided by the management company. By contrast, a candidate trying to challenge the incumbent board member, favored by the management company, would be denied access to the contact information of each condo owner because of privacy concerns.

In order to reduce conflicts of interests, abuses of power, and distortions of democracy, we urge this committee to pass SB2404, prohibit the use of proxy voting and secure other methods of direct voting amongst condo owners and their association boards.