

STAND. COM. REP. NO. 408 -10

Honolulu, Hawaii
Feb 16, 2010

RE: H.B. No. 2136

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2136 entitled:

"A BILL FOR AN ACT RELATING TO DISTRIBUTIONS BY NONPROFIT CORPORATIONS,"

begs leave to report as follows:

The purpose of this bill is to address any ambiguity between federal law and the Hawaii Nonprofit Corporations Act by allowing current distributions by nonprofit corporations to their nonprofit members and affiliates, provided that the distributions are in accordance with the distributing nonprofit corporations' purposes and will not jeopardize their liquidity.

The Queen's Health Systems and Hawaii Pacific Health testified in support of this bill.

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. 2136 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

HB2136 HSCR CPC HMS 2010-1537



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



ROBERT N. HERKES, Chair



