

STAND. COM. REP. NO.

1058

Honolulu, Hawaii

APR 06 2011

RE: H.B. No. 235  
H.D. 2  
S.D. 2

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 235, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LIMITED LIABILITY COMPANIES,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the creation of and establish policies and procedures for the governance of sustainable business limited liability companies.

Your Committee finds that under general business principles, the ultimate purpose of a business enterprise is to pursue profit. Your Committee further finds that this purpose may prevent entrepreneurs and investors from achieving their own goals of establishing and investing in private enterprises that additionally serve social or environmental purposes. Your Committee finds that several other states have responded to market demand for opportunities to pursue good corporate citizenship by authorizing the formation of business entities for reasons other than a pure profit motive.

Your Committee notes that the status as a sustainable business limited liability company authorized by this measure is a voluntary designation that preserves the private nature of businesses that choose it and relies on the governing structure of the company itself for enforcement. Finally, your Committee finds that authorizing the formation of sustainable business limited liability companies in this State will help to diversify Hawaii's



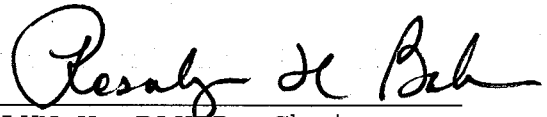
economy by attracting entrepreneurship and investment in innovative businesses and emerging industries.

Your Committee has amended this measure by:

- (1) Amending its language to comply with the requirements of the Uniform Limited Liability Company Act as codified by chapter 428, Hawaii Revised Statutes; and
- (2) 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. 235, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 235, H.D. 2, S.D. 2.

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

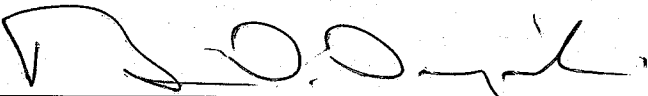


ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
HB235, HD2, SD1	EDT, CPN	4/1/2011		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<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)	✓			
TANIGUCHI, Brian T. (VC)	✓			
GALUTERIA, Brickwood				✓
GREEN, M.D., Josh				✓
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama				✓
SLOM, Sam	✗ DD		✓	
<b>TOTAL</b>	3	0	1	3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes