196 -18 STAND. COM. REP. NO.

Honolulu, Hawaii February 9 , 2018

RE: H.B. No. 2320 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2320 entitled:

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

begs leave to report as follows:

The purpose of this measure is to amend various provisions of the Hawaii Nonprofit Corporations Act by clarifying that:

- Public benefit corporations may not purchase its memberships;
- (2) A director does not include a person who does not have authority to vote as a member of the board;
- (3) A public benefit corporation with members may designate its directors; and
- (4) A corporation, other than a public benefit corporation, may purchase its memberships.

In addition, this measure increases the length of time the Attorney General has to review a proposed sale of substantially all of the assets of a public benefit corporation.



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The Department of the Attorney General and Association of Fundraising Professionals - Aloha Chapter testified in support of this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

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. 2320, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2320, H.D. 1, and be referred to your Committee on Judiciary.

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

ROY M. TAKUMI, Chair



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State of Hawaii House of Representatives The Twenty-ninth Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: Committee Referral: Date: H B 2320 CPC, JUD 2/2/19 The committee is reconsidering its previous decision on the measure. 2/2/19 The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)									
					CPC Members	Ayes	Ayes (WR)	Nays	Excused
					1. TAKUMI, Roy M. (C)				
2. ICHIYAMA, Linda (VC)		W. D. Martin Co	······································						
3. AQUINO, Henry J.C.									
4. ITO, Ken				8 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1					
5. JOHANSON, Aaron Ling									
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6. LoPRESTI, Matthew S.									
7. MIZUNO, John M.			an an tha the Ball of States of the states o						
8. SAY, Calvin K.Y.	✓	The second se							
9. TOKIOKA, James Kunane	√								
	in an								
10. YAMANE, Ryan I.				✓					
11. McDERMOTT, Bob									
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TOTAL (11)	7	D	O	4					
The recommendation is: Adopted Not Adopted If joint referral,									
Vice Chair's or designee's signature:									
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO									
