

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:

- (1) 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.



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



