

STAND. COM. REP. NO. 1792-18

Honolulu, Hawaii

MAR 23 , 2018

RE: S.B. No. 2747
S.D. 2
H.D. 1

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

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred S.B. No. 2747, S.D. 2, entitled:

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

beg 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 their
memberships;
- (2) A director does not include a person who does not have
authority to vote as a member of the board; and
- (3) A public benefit corporation with members may provide in
its articles or bylaws that some of the directors may be
designated.

This measure also clarifies the period of time that a public
benefit corporation is required to give notice to the Attorney
General of property transactions which are not in the regular
course of its activities.

SB2747 HD1 HSCR CPC-JUD HMS 2018-3257



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

Your Committees have amended this measure by:

- (1) Inserting additional language to further clarify that a nonprofit corporation that has members may provide that some of its directors may be appointed or designated in the corporation's articles or bylaws; and
- (2) Changing its effective date to July 1, 2050, to promote further discussion.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2747, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2747, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Judiciary,



SCOTT Y. NISHIMOTO, Chair



ROY M. TAKUMI, Chair



