STAND. COM. REP. NO. 772-18

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. 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

State of Hawaii
House of Representatives
The Twenty-ninth Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 2747 SD2	Committee Referral:	Date	3/21/	18			
☐ The committee is reconsidering its previous decision on the measure.							
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)			erent.	BING OF THE STORY			
2 AOUINO Honor I C							
3. AQUINO, Henry J.C.							
4. ITO, Ken				<u> </u>			
5. JOHANSON, Aaron Ling		Annual Annual Company of the Company	a the things as a supplementation of the con-				
6. LoPRESTI, Matthew S.		* * · · · · · · · · · · · · · · · · · ·		/			
A MIGUNO I I NA							
7. MIZUNO, John M.							
8. SAY, Calvin K.Y.							
9. TOKIOKA, James Kunane	√						
10. YAMANE, Ryan I.	✓						
11. McDERMOTT, Bob				/			
TOTAL (11)	7	0	0	4			
The recommendation is: Adopted If joint referral, did not support recommendation. Committee acronym(s)							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) Chief Clerk's Office Duplicate (Pink) – HMSO							

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State of Hawaii House of Representatives The Twenty-ninth Legislature

Record of Votes of the Committee on Judiciary

Bill/Resolution No.: SB 2747 SD 2	Committee Referral:	!		2018			
☐ The committee is reconsidering its previous decision on the measure.							
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)							
JUD Members	Ayes	Ayes (WR)	Nays	Excused			
1. NISHIMOTO, Scott Y. (C)				1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			
2. SAN BUENAVENTURA, Joy A.	(VC)		· · · · · · · · · · · · · · · · · · ·				
3. BROWER, Tom							
4. LEE, Chris							
5. MORIKAWA, Dee							
6. TAKAYAMA, Gregg							
7. MCDERMOTT, Bob							
8. THIELEN, Cynthia							
		-					
TOTAL (8)	5			3			
The recommendation is: If joint referral, did not support recommendation. committee acronym(s)							
Vice Chair's or designee's signature:							
Distribution: Original (White) - Commit	ttee Duplicate (Yellow) -	- Chief Clerk's Office	Duplicate (Pink) – HMSO			