

Honolulu, Hawaii

FEB 28 , 2019

RE: H.B. No. 944
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 944, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify statutes regulating nonprofit corporations registered in the State by:

- (1) Prohibiting a public benefit corporation, also known as a 501(c)(3) corporation, from purchasing its own memberships;
- (2) Clarifying the functions, duties, and selection of members of a nonprofit corporation's board of directors;
- (3) Authorizing a board of directors to take action through electronic or digital signatures on written consents; and
- (4) Clarifying the time limit for a nonprofit corporation to provide notice to the Attorney General of the disposal of all or substantially all of the corporation's property outside of the ordinary course of business.



The University of Hawai'i Foundation and Hawai'i Alliance of Nonprofit Organizations testified in support of this measure. The Department of the Attorney General provided comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 944, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



CHRIS LEE, Chair



