STAND. COM. REP. NO.

894

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

State of Hawaii House of Representatives The THIRTIETH Legislature # SCR 894

Record of Votes of the Committee on Judiciary

Bill/Resolution No.: HB 944, HD 1 CPC, JUD Date: 2/24/19				
☐ 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. LEE, Chris (C)			· · · · · · · · · · · · · · · · · · ·	Spectament on the second
2. SAN BUENAVENTURA, Joy A. (VC)				
3. BROWER, Tom				
4. CREAGAN, Richard P.		Name ann Adams i in a ann Ann a		
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5. LOWEN, Nicole E.				
6. McKELVEY, Angus L.K.				
7. MORIKAWA, Dee			1978 See Older van 1940 - 1976-440	
8. SAY, Calvin K.Y.				
9. TAKAYAMA, Gregg				
J. Immanian, Olegg				
10. YAMANE, Ryan I.		Steffens Stefe enthale of the stefe state of the stefens of the steffens of the stefens of the stefens of the s		ie <u>e manganii i danidari dalidadadada ee teeberaanada</u>
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11. THIELEN, Cynthia				
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TOTAL (11)				3
The recommendation is: Modopted Not Adopted did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				