

JAN 23 2020

A BILL FOR AN ACT

RELATING TO CEMETERY AUTHORITY EXEMPTION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 441-22.1, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§441-22.1 Exemption.** (a) The director shall exempt any
4 cemetery authority from the [~~bonding requirement and the fee~~
5 ~~requirements for license, renewal and reinstatement~~] provisions
6 of this chapter upon proof satisfactory to the director that it
7 does not sell for financial profit[-]; provided that the
8 cemetery authority exempted under this section shall be required
9 to comply with any provision of this chapter upon order by the
10 director.

11 (b) Any church granted an exemption under this section is
12 exempt from all requirements of this chapter. Any entity that
13 is exempt as a church under federal tax law shall be considered
14 a church for purposes of this section."

15 SECTION 2. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

S.B. NO. 2883

1 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:

M. N. M.

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BY REQUEST

Report Title:

Cemetery Authority Exemption; Chapter 441

Description:

Clarifies that churches granted an exemption under section 441-22.1, Hawaii Revised Statutes, are exempt from all requirements of chapter 441, Hawaii Revised Statutes, and that other exempted entities shall comply with any provision of this chapter upon order of the Director of the Department of Commerce and Consumer Affairs.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Commerce and Consumer Affairs

TITLE: A BILL FOR AN ACT RELATING TO CEMETERY
AUTHORITY EXEMPTION.

PURPOSE: To clarify that churches granted an exemption under section 441-22.1, Hawaii Revised Statutes (HRS), are exempt from all requirements of chapter 441, HRS, and that other exempted entities shall comply with any provision of this chapter upon order of the director of the Department of Commerce and Consumer Affairs.

MEANS: Amend section 441-22.1, HRS.

JUSTIFICATION: In 1967, legislation was enacted to regulate cemeteries, which created monetary difficulties for certain nonprofit cemeteries that were not actively engaged in the business of selling cemetery property. Act 14, Session Laws of Hawaii 1968, authorized the then-Cemetery Board to exempt any cemetery authority from the bonding and fee requirements for license, renewal, and reinstatement if it did not actively engage in pre-need sales, have a licensed cemetery salesperson, or sell for financial profit.

Since 1968, exempt cemetery authorities have not been regulated and have been treated as exempt from the requirements of chapter 441, HRS. The Cemetery and Funeral Trusts Program seeks to codify its current practice by exempting churches granted an exemption under section 441-22.1 from the requirements of chapter 441.

Impact on the public: None.

Impact on the department and other agencies:
None.

GENERAL FUNDS: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: CCA-105.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: Upon approval.