

Honolulu, Hawaii

**FEB 12** , 2020

RE: H.B. No. 2202  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2202 entitled:

"A BILL FOR AN ACT RELATING TO CEMETERIES,"

begs leave to report as follows:

The purpose of this measure is to exempt certain nonprofit corporations operating as a tax-exempt religious organization from licensing, bonding, and fee requirements when selling or offering use of its property or portion thereof for the inurnment of cremated remains of its members, adherents, and their families.

Your Committee received testimony in support of this measure from MYM Services, LLC; Roman Catholic Church in the State of Hawaii; Congregation of the Sacred Hearts of Jesus and Mary; Sisters of St. Francis of the Newmann Communities; and twelve individuals. Your Committee received testimony in opposition to this measure by the Department of Commerce and Consumer Affairs.

Your Committee finds that the State began to regulate cemeteries in 1967, which placed a harsh financial burden upon nonprofit cemeteries that were not actively engaged in the business of selling cemetery property. Your Committee further finds that in 1968, the Legislature statutorily authorized exemptions from the bonding and fee requirements of the cemetery and funeral trusts law. However, in practice, the Department of



Commerce and Consumer Affairs has waived all requirements of the state laws regulating cemeteries for any cemetery granted an exemption.

Additionally, your Committee finds that there is a strong desire by persons to find economical options for their afterlife arrangements. Your Committee further finds that there is growing support for churches to fulfill this need, while providing perpetual care in accordance with their faith.

Your Committee notes the concerns raised in testimony by the Department of Commerce and Consumer Affairs that the focus of this measure is too narrow, as it only addresses the inurnment of cremated remains and the use of the term "church, religious society, or denomination" is too broad. Your Committee believes that H.B. No. 2327 (Regular Session of 2020), properly addresses both of these concerns and is the preferred measure.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of H.B. No. 2327, which:
  - (A) Clarifies that churches granted an exemption under the State's law governing cemeteries and funeral trusts are exempt from all requirements of the law governing cemeteries and funeral trusts and specifies that all other exempted entities must comply with any provision of this law upon order of the Director of Commerce and Consumer Affairs; and
  - (B) Specifies that an entity that is exempt as a church under federal tax law is considered a church for purposes of exemption;
- (2) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and



purpose of H.B. No. 2202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2202, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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ROY M. TAKUMI, Chair



