

STAND. COM. REP. NO.

3720

Honolulu, Hawaii

JUN 29 2020

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

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred H.B. No. 2202, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CEMETERIES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Clarify that churches granted an exemption from the state laws governing cemeteries and funeral trusts are exempt from all requirements under chapter 441, Hawaii Revised Statutes;
- (2) Allow the director of commerce and consumer affairs to impose any statutory requirement upon an exempt cemetery authority by order; and
- (3) Clarify that an entity exempt as a church under federal tax law is considered a church for purposes of exemption.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amends this measure by inserting an effective date of upon its approval.



Your Committee received testimony in support of this measure or the proposed S.D. 1 from the Department of Commerce and Consumer Affairs; Episcopal Diocese of Hawai'i; Resurrection of the Lord Catholic Church; Diocese of Honolulu; MYM Services, Inc.; Roman Catholic Church in the State of Hawaii; The Episcopal Church in Hawai'i; Congregation of the Sacred Hearts - United States Province; and forty-five individuals. Your Committee received testimony in opposition to this measure or the proposed S.D. 1 from the Hawaii Funeral & Cemetery Association, Inc.; Hosoi Garden Mortuary, Inc.; Mililani Group, Inc.; Nuuanu Memorial Park; and Borthwick Mortuary.

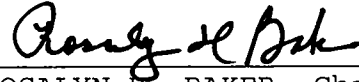
Your Committee finds the State began to regulate cemeteries in 1967, which placed a harsh financial burden on non-profit cemeteries that were not actively engaged in the business of selling cemetery property. In 1968, the Legislature statutorily authorized exemptions from the bonding and fee requirements of the cemetery and funeral trusts law. Exempt cemetery authorities provide burials for their community and parishioners, rather than operating the cemetery as a business, and therefore would have difficulty complying with the requirements of chapter 441, Hawaii Revised Statutes. This measure codifies the Department of Commerce and Consumer Affairs' Cemetery and Funeral Trusts Program to help it run more efficiently in overseeing cemeteries and to provide clarity for exempt entities regarding the requirements of existing state law. In addition, churches and other non-profit exempt cemetery authorities would continue to be responsible for maintaining and caring for their cemeteries.

Your Committee has amended this measure by adopting the proposed S.D. 1.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2202, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2202, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.



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



ROSALYN H. BAKER, Chair



