

STAND. COM. REP. NO. **215**

Honolulu, Hawaii

FEB 17 2021

RE: S.B. No. 193
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 193 entitled:

"A BILL FOR AN ACT RELATING TO EQUITABLE GENDER REPRESENTATION ON CORPORATE BOARDS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require publicly held domestic corporations to include non-male and non-female individuals among the directors of their corporate boards; and
- (2) Establish reporting requirements for the Department of Commerce and Consumer Affairs and penalties.

Your Committee received testimony in support of this measure from the Hawai'i Civil Rights Commission, AAUW of Hawaii, Hawai'i Women Lawyers, and seven individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and the LGBT Caucus of the Democratic Party of Hawai'i.

Your Committee finds that, statistically, corporations have much to gain with gender diversity in leadership, including higher profits, better employee job satisfaction and productivity, and better corporate reputations. Nevertheless, while women now



represent the majority in the nation's college educated work force, women hold only twenty percent of corporate board positions due to gender discrimination and negative stereotypes. This measure helps to create more opportunities and gender equity on corporate boards for publicly held corporations in the State.

Your Committee has amended this measure by:

- (1) Replacing the term "non-male" with the term "male or non-binary" throughout the measure;
- (2) Replacing the term "non-female" with the term "female or non-binary" throughout the measure;
- (3) Clarifying that, no later than July 1, 2024, the Department of Commerce and Consumer Affairs shall publish a report on its website documenting the number of all publicly held domestic corporations whose principal executive office is located within the State that have at least one male or non-binary director and one female or non-binary director;
- (4) Clarifying the Department of Commerce and Consumer Affairs shall publish on its website subsequent annual reports commencing on March 1, 2025;
- (5) Inserting a definition for "department" to mean the Department of Commerce and Consumer Affairs;
- (6) Inserting an effective date of July 1, 2021; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 193, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 193, S.D. 1, and be referred to your Committee on Judiciary.



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



ROSALYN H. BAKER, Chair



