

STAND. COM. REP. NO.

617

Honolulu, Hawaii

FEB 19 , 2021

RE: H.B. No. 1119
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Health, Human Services, & Homelessness, to which was referred H.B. No. 1119 entitled:

"A BILL FOR AN ACT RELATING TO CHARITABLE ORGANIZATIONS,"

begs leave to report as follows:

The purpose of this measure is to subject social welfare organizations granted tax exempt status under section 501(c)(4) of the Internal Revenue Code to the same requirements as other charitable organizations that solicit funds from the public.

Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that some social welfare organizations granted tax exempt status under section 501(c)(4) of the Internal Revenue Code may spend an unregulated amount of funds to influence elections and otherwise engage in political activities without disclosing the identities of their donors or being subject to regulation or oversight. This measure will encourage transparency in campaign spending by expressly including 501(c)(4) organizations in the definition of "charitable organization" and subjecting 501(c)(4) organizations to the same oversight as other organizations soliciting funds from the public.

2021-1776 HB1119 HD1 HSCR HMSO

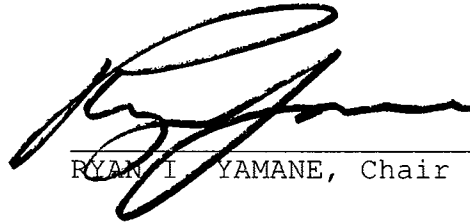


Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2060, to encourage further discussion; and
- (2) 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 Health, Human Services, & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1119, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Health, Human
Services, & Homelessness,



RYAN I. YAMANE, Chair



