

Honolulu, Hawaii

APR 05 2012

RE: H.B. No. 2458

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
H.B. No. 2458 entitled:

"A BILL FOR AN ACT RELATING TO CONVERSIONS BY NONPROFIT
CORPORATIONS, "

begs leave to report as follows:

The purpose and intent of this measure is to repeal certain
laws under chapter 414D, Hawaii Revised Statutes, the Hawaii
Nonprofit Corporations Act, that authorize nonprofit corporations
to convert to other legal entities.

Your Committee received testimony in support of this measure
from the Department of the Attorney General.

Your Committee finds that certain laws under the Hawaii
Nonprofit Corporations Act do not conform to the Revised Model
Nonprofit Corporations Act, which Hawaii's law is based on, and
allows the assets of a charitable corporation to be converted and
used for non-charitable purposes. These provisions are an
invitation to abuse.

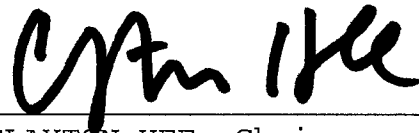
Your Committee finds that assets held for charity, whether
trust, or corporate form, should be in a "lock box." The charity
may dissolve and distribute its assets to other charities, use the
assets for purposes of charitable or program services, or sell its
assets and use the proceeds to support its charitable purposes.
However, allowing charities to convert to a for-profit corporation
is antithetical to the concept that charitable assets should be
perpetually devoted to charitable uses. Accordingly, this measure



ensures that charitable assets will continue to be used for charitable purposes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2458, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,




CLAYTON HEE, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No. :* HB 2458	Committee Referral: JDL	Date: 3/28/12		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="checked" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile (VC)	✓			
GABBARD, Mike	✓			
IHARA, Jr., Les				✓
SLOM, Sam	✓			
TOTAL	4			1
Recommendation: <input checked="checked" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

Honolulu, Hawaii

APR 05 2012

RE: H.B. No. 2441

H.D. 2

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred H.B. No. 2441, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CHILD SUPPORT ENFORCEMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to ensure that state child support enforcement laws are in compliance with recently enacted federal laws. Specifically, this measure:

- (1) Clarifies the requirement for new hire reporting to include the date on which services for remuneration were first performed by the employee as part of the information furnished by employers to the Hawaii Child Support Enforcement Agency, a division within the Department of the Attorney General; and
- (2) Clarifies that employers receiving a notice of medical support of a dependent child of a responsible parent have twenty business days after the notice date to transfer the notice to the appropriate plan providing health care coverage and are required to notify the Hawaii Child Support Enforcement Agency when employment of the responsible parent is terminated.

Your Committee received testimony in support of this measure from the Department of the Attorney General.



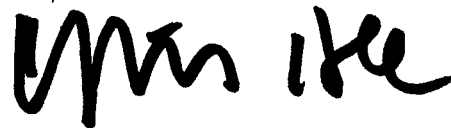
Your Committee finds that the federal Claims Resolution Act requires employers to report to the State Directory of New Hires the date on which an employee first performs services for pay. This is an anti-fraud measure aimed at reducing the number of overpayments to individuals receiving unemployment insurance benefits. This measure will allow the State to comply with this new federal reporting requirement, which became effective on June 8, 2011.

Your Committee further finds that amendments to the federal Social Security Act requires employees to transfer a medical support notice twenty days after receiving the notice to the appropriate plan providing health care coverage and requires employers to notify the state child support enforcement agency when employment is terminated. This measure will allow the State to comply with this new federal requirement.

Compliance with these new federal requirements is necessary to maintain eligibility for federal welfare funding and federal funding of child support enforcement programs.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2441, H.D. 2, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,



CLAYTON HEE, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* HB 2441, HD2	Committee Referral: JDL	Date: 3/28/12		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile (VC)	✓			
GABBARD, Mike	✓			
IHARA, Jr., Les				✓
SLOM, Sam	✓			
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes