

Honolulu, Hawaii

FEB 07 , 2020

RE: H.B. No. 2327
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 Intrastate Commerce, to which was referred
H.B. No. 2327 entitled:

"A BILL FOR AN ACT RELATING TO CEMETERY AUTHORITY EXEMPTION,"

begs leave to report as follows:

The purpose of this measure is to exempt from the state laws
regulating cemeteries:

- (1) Any cemetery authority (Authority); provided that the
Authority may be ordered by the Director of Commerce and
Consumer Affairs to comply with the state cemetery laws;
and
- (2) Churches, with a federal tax law exemption, that were
previously exempted from the state cemetery laws.

Your Committee received testimony in support of this measure
from the Department of Commerce and Consumer Affairs (DCCA) and
Hawaii Funeral & Cemetery Association, Inc.

Act 14, Session Laws of Hawaii 1968, authorized the then
Cemetery Board to exempt any Authority from the bonding and fee
requirements for licensure, renewal, and reinstatement, if it did
not actively engage in pre-need sales, have a licensed cemetery
salesperson, or sell for financial profit. Since 1968, exempt



Authorities have not been regulated and have been treated as exempt from the state cemetery laws. Exempt Authorities provide burial to their communities based upon goodwill, rather than operate the cemetery as a business and would therefore have difficulty in complying with the state cemetery laws. Your Committee believes that codifying the past practices of DCCA's Cemetery and Funeral Trusts Program (Program) through this measure will help the Program become more efficient in overseeing cemeteries and provide clarification on the exemption provision of the state cemetery laws. Your Committee also believes that churches and other non-profit exempt Authorities will continue to be responsible for maintaining and caring for their cemeteries.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Intrastate Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2327, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Intrastate
Commerce,



TAKASHI OHNO, Chair



Record of Votes of the Committee on Intrastate Commerce

Bill/Resolution No.: HB2327		Committee Referral: IAC, CPC, FIN		Date: 02/04/2020	
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.					
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)					
IAC Members		Ayes	Ayes (WR)	Nays	Excused
1. OHNO, Takashi (C)		✓			
2. KOBAYASHI, Dale T. (VC)		✓			
3. GATES, Cedric Asuega		✓			
4. KONG, Sam Satoru		✓			
5. NISHIMOTO, Scott Y.		✓			
6. TAKAYAMA, Gregg		✓			
7. McDERMOTT, Bob		✓			
TOTAL (7)		7			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>					
Vice Chair's or designee's signature: <u><i>Bob McDermott</i></u>					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					