STAND. COM. REP. NO. 67

Honolulu, Hawaii **FEB 1 9** <sup>, 2021</sup> 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

STAND. COM. REP. NO. 613. Page 2

Your Committee has amended this measure by:

- 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,

MANE, Chair

## State of Hawaii House of Representatives The Thirty-first Legislature HSCR 613

## Record of Votes of the Committee on Health, Human Services, & Homelessness

Bill/Resolution No.:	Committee Referral:  +++++, F		Date: 02/16/2021	
The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  □  Pass, unamended (as is)  Pass, with amendments (HD)  □  Hold    □  Pass short form bill with HD to recommit for future public hearing (recommit)				
HHH Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMANE, Ryan I. (C)				
2. TAM, Adrian K. (VC)				
	<u></u>	10		
3. GATES, Cedric Asuega				
4. HAR, Sharon E.				
5. KAPELA, Jeanne			ing an ann a far agus agus anns a	
6. LoPRESTI, Matthew S.	V			a and a second
			en de la composition de la composition En la composition de la	
7. NISHIMOTO, Scott Y.				
8. WARD, Gene			<u></u>	
TOTAL (8)	8			
The recommendation is:  X Adopted  I Not Adopted    If joint referral,				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				