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# A BILL FOR AN ACT

RELATING TO CHARITABLE TRUSTS AND NONPROFIT ORGANIZATIONS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Hawaii has more than 5,000 charities and  
2 nonprofit organizations that employ 41,000 individuals who  
3 provide needed services to Hawaii residents. Hawaii charities  
4 have revenues over \$2,000,000,000 and pay over \$1,000,000,000 in  
5 wages. According to a study conducted in 2002, local residents  
6 made \$430,000,000 worth of cash and in-kind donations in one  
7 year to Hawaii and national charities.

8           However, Hawaii is one of only 11 states that do not  
9 require charities to register with a state agency. Nonprofit  
10 experts have noted that Hawaii's oversight of charities is one  
11 of the weakest in the nation. According to a 2004 survey,  
12 Hawaii was ranked last in the number of state positions budgeted  
13 for charity oversight and enforcement. New York had 55 budgeted  
14 positions, Pennsylvania had 30 positions, and Oregon had nearly  
15 20 positions. Hawaii has a single deputy attorney general who  
16 serves on a part-time basis to oversee charities in the state.



1           Due to the absence of a registration system, the department  
2 of the attorney general may only pursue an investigation if an  
3 individual complains or questionable conduct is revealed and  
4 disclosed to the public. Recent news articles reported a pre-  
5 school with an enrollment of three hundred students had  
6 \$2,000,000 in annual revenues, paid a top executive \$250,000  
7 annually, made an illegal \$100,000 loan to another officer whose  
8 spouse is another executive, and paid \$1,200 per month for two  
9 leased luxury cars for its husband and wife management team.  
10 New reports have revealed other instances of improper and  
11 illegal conduct by charities and leaders.

12           The legislature finds that a registration system is needed  
13 for charities. A registration system will provide the State  
14 with valuable information on which nonprofit groups are raising  
15 funds, what programs these groups seek to fund, and how these  
16 groups are spending collected funds. Registration can help  
17 enforcement officials spot red flags, such as questionable  
18 transactions or compensation deals, and answer questions from  
19 the public. The review of annual filings may also serve as a  
20 deterrent to abuse. Before making a contribution, donors could  
21 find out if an organization is a legitimate charity and



1 determine if the group has provided the State with information  
2 on its finances.

3 The purpose of this Act is to, among other things:

- 4 (1) Require charitable trusts and nonprofits to register  
5 and to file annual financial reports;
- 6 (2) Provide standards for registration of professional  
7 fundraising counsel and professional solicitors;
- 8 (3) Authorize investigations on possible violations;
- 9 (4) Prohibit contracting with unregistered solicitors;
- 10 (5) Require submittal of a filing fee based on total  
11 revenue of organization; and
- 12 (6) Appropriate funds to staff additional positions.

13 SECTION 2. Chapter 467B, Hawaii Revised Statutes, is  
14 amended by adding four new sections to be appropriately  
15 designated and to read as follows:

16 "§467B-A Registration of charitable organizations. (a)  
17 Every public benefit corporation domiciled in Hawaii and every  
18 charitable organization not exempted by section 467B-C shall  
19 register with the department prior to conducting any  
20 solicitation or prior to having any solicitation conducted on  
21 its behalf by others; provided that each charitable organization  
22 soliciting funds within the state prior to the effective date of



1 this Act shall register with the attorney general no later than  
2 December 31, 2008. Two authorized officers of the charitable  
3 organization shall sign the registration form and shall certify  
4 that the statements therein are true and correct to the best of  
5 their knowledge. Deliberate falsification shall be subject to  
6 penalties imposed by section 710-1063. A consolidated  
7 application for registration may, at the option of the  
8 charitable organization, be submitted by a parent organization  
9 for itself and any or all of its related foundations, supporting  
10 organizations, chapters, branches, or affiliates in this state.

11 (b) The attorney general may make available a registration  
12 form to assist in the registration by charitable organizations  
13 that must register in other states and may designate that the  
14 Uniform Registration Form developed by the National Association  
15 of State Charity Officials is to be used as the registration  
16 form under this section.

17 (c) The attorney general may require that registration  
18 forms be filed with the department electronically and may  
19 require the use of electronic signatures.

20 **§467B-B Annual financial reports; fiscal records and fees.**

21 (a) Every charitable organization required to register pursuant  
22 to section 467B-A shall annually file with the department a



1 report for its most recently completed fiscal year. The report  
2 shall include a financial statement and other information as the  
3 department may require. The charitable organization shall file  
4 the report not more than eight months following the close of its  
5 fiscal year on or before the date the organization files a Form  
6 990 or 990EZ with the Internal Revenue Service. The report  
7 shall be accompanied by a filing fee as prescribed by subsection  
8 (d) and shall be signed by two authorized officers of the  
9 organization, one of whom shall be the chief fiscal officer of  
10 the organization. These officers shall certify that the report  
11 is true and correct to the best of their knowledge. The  
12 department shall prescribe the form of the report and may  
13 prescribe standards for its completion. The department may  
14 accept, under such conditions as the attorney general may  
15 prescribe, a copy or duplicate original of financial statements,  
16 reports, or returns filed by the charitable organization with  
17 the Internal Revenue Service or another state having  
18 requirements similar to the provisions of this section.

19 (b) A charitable organization with gross revenue in excess  
20 of \$500,000 in the year covered by the report shall include,  
21 with its financial statement, an audit report prepared by a  
22 certified public accountant. For purposes of this section,



1 gross revenue shall not include grants or fees from government  
2 agencies or the revenue derived from funds held in trust for the  
3 benefit of the organization.

4 (c) The department, upon written request and for good  
5 cause shown, may grant an extension of time, not to exceed three  
6 months, for the filing of the report.

7 (d) Each charitable organization filing a report required  
8 by this section shall pay a filing fee to the department, based  
9 on the total amount of its income and receipts during the time  
10 covered by the report at the close of the calendar or fiscal  
11 year adopted by the charitable organization as follows:

12 (1) \$10, if less than \$25,000;

13 (2) \$25, if \$25,000 but less than \$50,000;

14 (3) \$50, if \$50,000 but less than \$100,000;

15 (4) \$100, if \$100,000 but less than \$250,000;

16 (5) \$150, if \$250,000 but less than \$500,000;

17 (6) \$200, if \$500,000 but less than \$1,000,000;

18 (7) \$300, if \$1,000,000 but less than \$2,000,000;

19 (8) \$500, if \$2,000,000 but less than \$5,000,000; or

20 (9) \$750, if \$5,000,000 or more.

21 (e) If a return or report required under this section is  
22 not filed, taking into account any extension of time for filing,



1 unless it is shown that the failure is due to reasonable cause,  
2 a fine of \$20 shall be imposed for each day during which the  
3 violation continues; provided that the total amount imposed  
4 under this subsection shall not exceed \$1,000. Returns and  
5 reports submitted without the proper filing fee shall not be  
6 accepted for filing.

7 (f) Every charitable organization subject to sections  
8 467B-A and 467B-B shall keep true fiscal records that shall be  
9 available to the department for inspection upon request. The  
10 organization shall retain the records for no less than three  
11 years after the end of the fiscal year to which they relate.

12 §467B-C Charitable organizations exempted from  
13 registration and financial disclosure requirements. The  
14 following charitable organizations shall not be subject to  
15 sections 467B-A and 467B-B, if each organization submits  
16 information as the department may require to substantiate an  
17 exemption under this section:

18 (1) Any duly organized religious corporation, institution,  
19 or society;

20 (2) Any parent-teacher association or educational  
21 institution, the curricula of which in whole or in  
22 part are registered or approved by any state or the



- 1           United States either directly or by acceptance of  
2           accreditation by an accrediting body;
- 3           (3) Any nonprofit hospital licensed by the State or any  
4           similar provision of the laws of any other state;
- 5           (4) Any governmental unit or instrumentality of any state  
6           or the United States;
- 7           (5) Any person who solicits solely for the benefit of  
8           organizations described in paragraphs (1) to (4); and
- 9           (6) Any charitable organization that normally receives  
10           less than \$25,000 in contributions annually, if the  
11           organization does not compensate any person primarily  
12           to conduct solicitations.

13           §467B-D Investigations; subpoenas; court orders. (a) The  
14           department, on its own motion or on complaint of any person, may  
15           conduct an investigation to determine whether any person has  
16           violated or is about to violate any provision of sections 467B-  
17           A, 467B-B, and 467B-9.

18           (b) The attorney general or the attorney general's  
19           authorized representative may subpoena documentary material  
20           relating to any matter under investigation, issue subpoenas to  
21           any person involved in or who may have knowledge of any matter





1 under investigation, administer an oath or affirmation to any  
2 person, and conduct hearings on any matter under investigation.

3 (c) If any person fails to obey any subpoena issued by the  
4 department pursuant to this section, the department, after  
5 notice, may apply to the circuit court of the first circuit for  
6 a hearing on the application, and after the hearing, the court  
7 may issue an order requiring the person to obey the subpoena or  
8 any part thereof, together with any other relief as may be  
9 appropriate. Any disobedience of any order entered under this  
10 section by any court shall be punished as a contempt thereof."

11 SECTION 3. Section 467B-1, Hawaii Revised Statutes, is  
12 amended as follows:

13 1. By adding two new definitions to be appropriately  
14 inserted and to read:

15 "Gross revenue" means income of any kind from all sources,  
16 including all amounts received as the result of any solicitation  
17 by a professional solicitor.

18 "Person" means an individual, corporation, limited  
19 liability company, association, partnership, trust, foundation,  
20 and any other entity, however styled."

21 2. By amending the definition of "parent organization" to  
22 read:



1            "Parent organization" means that part of a charitable  
2 organization that coordinates, supervises, or exercises control  
3 over policy, fund raising, and expenditures, or assists or  
4 advises one or more related foundations, supporting  
5 organizations, chapters, branches, or affiliates of such  
6 organization in [~~the State.~~] this state."

7            3. By repealing the definition of "person".

8            ~~["Person" means any individual, organization, trust,~~  
9 ~~foundation, group, association, partnership, corporation,~~  
10 ~~society, or any combination thereof.]~~

11           SECTION 4. Section 467B-2.5, Hawaii Revised Statutes, is  
12 amended by amending subsection (a) to read as follows:

13           "(a) Within ninety days after a solicitation campaign or  
14 event has been completed and on the anniversary of the  
15 commencement of a solicitation campaign lasting more than one  
16 year, a professional solicitor shall file with the attorney  
17 general a financial report for the campaign, including gross  
18 revenue and an itemization of all expenses incurred~~[-]~~ on a form  
19 prescribed by the attorney general. This report shall be signed  
20 under penalty provided by section 710-1063 by the authorized  
21 contracting agent for the professional solicitor and two  
22 authorized officials of the charitable organization~~[-]~~ and shall



1 report gross revenue from Hawaii donors and national gross  
2 revenue from a solicitation activity or campaign. A  
3 professional solicitor shall maintain during each solicitation  
4 campaign and for not less than three years after the completion  
5 of that campaign the following records, which shall be available  
6 for inspection upon demand by the attorney general:

- 7 (1) The date and amount of each contribution received and  
8 the name and address of each contributor;  
9 (2) The name and residence of each employee, agent, or  
10 other person involved in the solicitation;  
11 (3) Records of all revenue received and expenses incurred  
12 in the course of the solicitation campaign; and  
13 (4) The location and account number of each bank or other  
14 financial institution account in which the  
15 professional solicitor has deposited revenue from the  
16 solicitation campaign."

17 SECTION 5. Section 467B-5.5, Hawaii Revised Statutes, is  
18 amended by amending subsection (b) to read as follows:

19 "(b) Prior to the commencement of any charitable sales  
20 promotion in this [State] state conducted by a commercial co-  
21 venturer using the name of a charitable organization, the  
22 commercial co-venturer shall obtain the written consent of the



1 charitable organization whose name will be used during the  
2 charitable sales promotion. The commercial co-venturer shall  
3 file a copy of the written consent with the department not less  
4 than ten days prior to the commencement of the charitable sales  
5 promotion within this state. An authorized representative of  
6 the charitable organization and the commercial co-venturer shall  
7 sign the written consent, and the terms of the written consent  
8 shall include the following:

- 9       (1) The goods or services to be offered to the public;  
10       (2) The geographic area where, and the starting and final  
11       date when, the offering is to be made;  
12       (3) The manner in which the name of the charitable  
13       organization is to be used, including any  
14       representation to be made to the public as to the  
15       amount or per cent per unit of goods or services  
16       purchased or used that is to benefit the charitable  
17       organization;  
18       (4) A provision for a final accounting on a per unit basis  
19       to be given by the commercial co-venturer to the  
20       charitable organization and the date when it is to be  
21       made; and



1        (5) The date when and the manner in which the benefit is  
2                    to be conferred on the charitable organization."

3            SECTION 6. Section 467B-8, Hawaii Revised Statutes, is  
4 amended to read as follows:

5            "**§467B-8 Information filed to become public records.**  
6 Statements, reports, professional fundraising counsel contracts  
7 or professional solicitor contracts, and all other documents and  
8 information required to be filed under this chapter or by the  
9 attorney general shall become government records in the  
10 department and be open to the general public for inspection [~~at~~  
11 ~~such times and under such conditions as the attorney general may~~  
12 ~~prescribe.~~] pursuant to chapter 92F; provided that information  
13 in any registration statement concerning the residential  
14 addresses of any officer or director or that identifies a  
15 charitable organization's financial or banking accounts shall be  
16 confidential under chapter 92F."

17            SECTION 7. Section 467B-9, Hawaii Revised Statutes, is  
18 amended to read as follows:

19            "**§467B-9 Prohibited acts.** (a) No person, for the purpose  
20 of soliciting contributions from persons in the [~~State,~~] state,  
21 shall use the name of any other person except that of an  
22 officer, director, or trustee of the charitable organization by



1 or for which contributions are solicited, without the written  
2 consent of the other persons.

3 A person shall be deemed to have used the name of another  
4 person for the purpose of soliciting contributions if the latter  
5 person's name is listed on any stationery, advertisement,  
6 brochure, or correspondence in or by which a contribution is  
7 solicited by or on behalf of a charitable organization or the  
8 latter person's name is listed or referred to in connection with  
9 a request for a contribution as one who has contributed to,  
10 sponsored, or endorsed the charitable organization or its  
11 activities.

12 (b) No charitable organization, professional solicitor, or  
13 professional fundraising counsel soliciting contributions shall  
14 use a name, symbol, or statement so closely related or similar  
15 to that used by another charitable organization or governmental  
16 agency that the use thereof would tend to confuse or mislead the  
17 public.

18 (c) No person, in connection with any solicitation or  
19 sale, shall misrepresent or mislead anyone by any manner, means,  
20 practice, or device whatsoever, to believe that the solicitation  
21 or sale is being conducted on behalf of a charitable



1 organization or that the proceeds of the solicitation or sale  
2 will be used for charitable purposes, if that is not the fact.

3 (d) No professional solicitor, and no agent, employee,  
4 independent contractor, or other person acting on behalf of the  
5 professional solicitor, shall solicit in the name of or on  
6 behalf of any charitable organization unless:

7 (1) The professional solicitor has obtained the written  
8 authorization of two officers of the organization,  
9 which authorization shall bear the signature of the  
10 professional solicitor and the officers of the  
11 charitable organization and shall expressly state on  
12 its face the period for which it is valid, which shall  
13 not exceed one year from the date of issuance, and has  
14 filed a copy of the written authorization with the  
15 attorney general prior to the solicitation; and

16 (2) The professional solicitor and any person who, for  
17 compensation, acts as an agent, employee, independent  
18 contractor, or otherwise on behalf of the professional  
19 solicitor carries a copy of the authorization while  
20 conducting solicitations, and exhibits it on request  
21 to persons solicited or police officers or agents of  
22 the department.



1           (e) No charitable organization, professional fundraising  
2 counsel, or professional solicitor subject to this chapter shall  
3 use or exploit the fact of filing any statement, report,  
4 professional fundraising counsel contracts, or professional  
5 solicitor contracts or other documents or information required  
6 to be filed under this chapter or with the department so as to  
7 lead the public to believe that the filing in any manner  
8 constitutes an endorsement or approval by the State of the  
9 purposes or goals for the solicitation by the charitable  
10 organization, professional fundraising counsel, or professional  
11 solicitor; provided that the use of the following statement  
12 shall not be deemed a prohibited exploitation: "Information  
13 regarding this organization has been filed with the State of  
14 Hawaii department of the attorney general. Filing does not  
15 imply endorsement or approval of the organization or the public  
16 solicitation for contributions."

17           (f) No person, while soliciting, shall impede or obstruct,  
18 with the intent to physically inconvenience the general public  
19 or any member thereof in any public place or in any place open  
20 to the public.

21           (g) No person shall submit for filing on behalf of any  
22 charitable organization, professional fundraising counsel, or





1 professional solicitor, any statement, financial statement,  
2 report, attachment, or other information to be filed with the  
3 department that contains information, statements, or omissions  
4 that are false or misleading.

5 (h) No person shall solicit contributions from persons in  
6 the [~~State~~] state or otherwise operate in the [~~State~~] state as a  
7 charitable organization, an exempt charitable organization,  
8 professional fundraising counsel, professional solicitor, or  
9 commercial co-venturer unless the person has filed the  
10 information required by this chapter with the department in a  
11 timely manner.

12 (i) No person shall aid, abet, or otherwise permit any  
13 persons to solicit contributions from persons in the [~~State~~]  
14 state unless the person soliciting contributions has complied  
15 with the requirements of this chapter.

16 (j) No person shall fail to file the information and  
17 registration statement, annual or financial reports, and other  
18 statements required by this chapter or fail to provide any  
19 information demanded by the attorney general pursuant to this  
20 chapter in a timely manner.

21 (k) No person shall employ in any solicitation or  
22 collection of contributions for a charitable organization, any



1 device, scheme, or artifice to defraud or obtain money or  
2 property by means of any false, deceptive, or misleading  
3 pretense, representation, or promise.

4 (l) No person, in the course of any solicitation, shall  
5 represent that funds collected will be used for a particular  
6 charitable purpose, or particular charitable purposes, if the  
7 funds solicited are not used for the represented purposes.

8 (m) No person shall receive compensation from a charitable  
9 organization for obtaining moneys or bequests for that  
10 charitable organization if that person has also received  
11 compensation for advising the donor to make the donation;  
12 provided that compensation may be received if the person obtains  
13 the written consent of the donor to receive compensation from  
14 the charitable organization.

15 (n) No person shall act as a professional solicitor if the  
16 person, any officer, any person with a controlling interest  
17 therein, or any person the professional solicitor employs,  
18 engages, or procures to solicit for compensation, has been  
19 convicted by any federal or state court of any felony, or of any  
20 misdemeanor involving dishonesty or arising from the conduct of  
21 a solicitation for a charitable organization or purpose.



1       (o) No charitable organization shall use the services of  
2 an unregistered professional solicitor or unregistered  
3 professional fundraising counsel."

4       SECTION 8. Section 467B-9.7, Hawaii Revised Statutes, is  
5 amended to read as follows:

6       "**§467B-9.7 Administrative enforcement and penalties.** (a)  
7 The attorney general may refuse to register[, ~~may revoke, or may~~  
8 ~~suspend~~] or may revoke or suspend the registration of any  
9 charitable organization, professional fundraising counsel, or  
10 professional solicitor whenever the attorney general finds that  
11 a charitable organization, professional fundraising counsel, or  
12 professional solicitor, or an agent, servant, or employee  
13 thereof:

- 14       (1) Has violated or is operating in violation of this  
15       chapter, the rules of the attorney general, or an  
16       order issued by the attorney general;
- 17       (2) Has refused or failed, after notice, to produce any  
18       records of the organization or to disclose any  
19       information required to be disclosed under this  
20       chapter or the rules of the attorney general;



1 (3) Has made a material false statement in an application,  
2 statement, or report required to be filed under this  
3 chapter; or

4 (4) Has failed to file the financial report required by  
5 section 467B-2.5, or filed an incomplete financial  
6 report.

7 (b) When the attorney general finds that the registration  
8 of any person may be refused, suspended, or revoked under the  
9 terms of subsection (a), the attorney general may:

10 (1) Revoke a grant of exemption from any provisions of  
11 this chapter;

12 (2) Issue an order directing that the person cease [~~and~~  
13 ~~desist~~] specified fundraising activities;

14 (3) Impose an administrative fine not to exceed \$1,000 for  
15 each act or omission that constitutes a violation of  
16 this chapter and an additional penalty, not to exceed  
17 \$100, for each day during which the violation  
18 continues. Registration shall be automatically  
19 suspended upon final affirmation of an administrative  
20 fine until the fine is paid or until the normal  
21 expiration date of the registration. No registration  
22 shall be renewed until the fine is paid; or



1 (4) Place the registrant on probation for [~~such~~] any  
2 period of time and subject to [~~such~~] any conditions as  
3 the attorney general may determine.

4 (c) Any person aggrieved by an action of the attorney  
5 general under this section may request a hearing to review that  
6 action in accordance with chapter 91 and rules adopted by the  
7 attorney general. Any request for hearing shall be made within  
8 ten days after the attorney general has served the person with  
9 notice of the action, which notice shall be deemed effective  
10 upon mailing.

11 (d) The attorney general may apply to the circuit court of  
12 the first circuit for relief, and the court may issue a  
13 temporary or permanent injunction to restrain violations of this  
14 chapter, appoint a receiver, order restitution or an accounting,  
15 or grant other relief as may be appropriate to ensure the due  
16 application of charitable funds. Proceedings thereon shall be  
17 brought in the name of the State."

18 SECTION 9. Section 467B-12, Hawaii Revised Statutes, is  
19 amended to read as follows:

20 "**§467B-12 Filing requirements for professional fundraising**  
21 **counsel and professional solicitors.** (a) Every professional  
22 fundraising counsel or professional solicitor, prior to any



1 solicitation, shall register with the department. The  
2 registration statement [~~shall be in the form prescribed by the~~  
3 ~~attorney general and~~] shall contain the information [~~as the~~  
4 ~~attorney general may require.~~] set forth in subsection (e). The  
5 registration statement shall be accompanied by a fee in the  
6 amount of \$250, or in the amount and with any additional sums as  
7 may be prescribed by the attorney general. [~~The statement shall~~  
8 ~~list the names and addresses of all owners, officers, and~~  
9 ~~directors of a professional fundraising counsel, and the names~~  
10 ~~and addresses of all owners, officers, and directors of a~~  
11 ~~professional solicitor.~~] Renewal registration statements shall  
12 be filed with the department on or before July 1 of each  
13 calendar year by each professional fundraising counsel or  
14 professional solicitor [~~and shall be effective until June 30 of~~  
15 ~~the next calendar year~~]. The renewal statement shall [~~be in a~~  
16 ~~form prescribed by the attorney general.~~] contain the  
17 information set forth in subsection (e). A renewal fee of \$250,  
18 or in any amount and with any additional sums as may be  
19 prescribed by the attorney general, shall accompany the renewal  
20 statement.

21 (b) [~~The professional fundraising counsel or~~] Each  
22 professional solicitor, at the time of each filing, shall file



1 with and have approved by the attorney general a bond in which  
2 the applicant is the principal obligor in the penal sum of  
3 \$25,000 issued with good and sufficient surety or sureties  
4 approved by the attorney general and which shall remain in  
5 effect for one year. The bond shall inure to the benefit of the  
6 State, conditioned that the applicant, its officers, directors,  
7 employees, agents, servants, and independent contractors shall  
8 not violate this chapter. A partnership or corporation that is  
9 a [~~professional fundraising counsel or~~] professional solicitor  
10 may file a consolidated bond on behalf of all its members,  
11 officers, and employees.

12 (c) The attorney general shall examine each registration  
13 statement and supporting document filed by a professional  
14 fundraising counsel or professional solicitor and shall  
15 determine whether the registration requirements are satisfied.  
16 If the attorney general determines that the registration  
17 requirements are not satisfied, the attorney general shall  
18 notify the professional fundraising counsel or professional  
19 solicitor in writing within fifteen business days of its receipt  
20 of the registration statement; otherwise the registration  
21 statement is deemed to be approved. Within seven business days  
22 after receipt of a notification that the registration



1 requirements are not satisfied, the professional fundraising  
2 counsel or professional solicitor may request a hearing.

3 (d) The attorney general may [~~adopt rules to provide for:~~  
4 ~~(1) The extension of filing deadlines;~~  
5 ~~(2) The online availability of forms required to be filed;~~  
6 ~~(3) The electronic filing of required registration~~  
7 ~~statements, contracts, forms, and reports; and~~  
8 ~~(4) The acceptance of electronic signatures.]~~

9 require that registration and renewal registration, surety  
10 bonds, and contracts be filed with the department electronically  
11 and may require the use of electronic signatures.

12 (e) Each registration and renewal registration shall  
13 contain:

14 (1) The names and addresses of all owners, officers, and  
15 directors of a professional fundraising counsel, and  
16 the names and addresses of all owners, officers, and  
17 directors of a professional solicitor;  
18 (2) A statement concerning the corporate form of the  
19 registrant, whether corporation, limited liability  
20 corporation, partnership, or individual;





- 1        (3) A statement whether the registrant has an office in  
2                    Hawaii and the name and phone number of the person in  
3                    charge of the office;
- 4        (4) The names and addresses of any individuals supervising  
5                    any solicitation activity;
- 6        (5) A statement whether the registration has entered into  
7                    a consent agreement with, or been disciplined by or  
8                    subject to administrative action by, another  
9                    governmental agency;
- 10       (6) A statement whether any officer, director, or any  
11                   person with a controlling interest in the registrant  
12                   has ever been convicted of a felony or a misdemeanor  
13                   involving dishonesty in the solicitation for a  
14                   charitable purpose;
- 15       (7) The date that the registrant began soliciting Hawaii  
16                   residents on behalf of a charitable organization or  
17                   providing professional fundraising counsel services;  
18                   and
- 19       (8) Whether any owners, directors, or officers are related  
20                   to:  
21                   (A) Any other officers, directors, owners, or  
22                   employees of the registrant;



1           (B) Any officer, director, trustee, or employee of a  
2           charitable organization under contract with the  
3           registrant; and

4           (C) Any vendor or supplier providing goods or  
5           services to a charitable organization under  
6           contract with the registrant."

7           SECTION 10. There is appropriated out of the solicitation  
8 of funds for charitable purposes special fund the sum of  
9 \$           or so much thereof as may be necessary for fiscal  
10 year 2008-2009 for two permanent full-time equivalent (2.00 FTE)  
11 deputy attorney general positions, one permanent full-time  
12 equivalent (1.00 FTE) auditor position, and one permanent full-  
13 time equivalent (1.00 FTE) legal assistant position.

14           The sum appropriated shall be expended by the department of  
15 the attorney general for the purposes of this Act.

16           SECTION 11. In codifying the new sections added by section  
17 2 of this Act, the revisor of statutes shall substitute  
18 appropriate section numbers for the letters used in designating  
19 the new sections in this Act.

20           SECTION 12. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.

22           SECTION 13. This Act shall take effect on July 1, 2020.



**Report Title:**

Charitable Organizations; Accountability; Appropriation

**Description:**

Requires charitable organizations to register and to file annual financial reports. Authorizes investigations on possible violations. Prohibits contracting with unregistered solicitors. Requires a report submittal fee based on total revenue of organization. Appropriates funds to staff additional positions.  
(SB3171 HD2)

