

JAN 24 2007

A BILL FOR AN ACT

RELATING TO CHARITABLE FUNDRAISING DISCLOSURE.

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

1 SECTION 1. The legislature finds that guidelines set by
2 consumer protection organizations, such as the Better Business
3 Bureau's standards for charitable accountability, are evidence
4 of good practice and useful to the general public in making
5 informed decisions about charitable giving. To be certified by
6 the Better Business Bureau, a charitable organization must
7 ensure that no more than thirty-five per cent of its funds are
8 spent on fundraising activities and at least sixty-five per cent
9 is spent on program activities. Many charitable organizations,
10 however, use private solicitors to do the organization's
11 fundraising. The amount the professional solicitors keep for
12 fundraising expenses, including their salaries, do not get
13 included in this evaluation since it is deducted before the
14 organization receives its portion of the profit.

15 Recent reporting of professional solicitors to the Hawaii
16 attorney general's office indicates that the majority of
17 professional fundraisers working for Hawaii charities pass on



1 less than fifty per cent of the funds raised through
2 telemarketing. While professional solicitors are required to
3 file financial reports with the office of the attorney general
4 at the close of each fundraising campaign, the availability of
5 this information is not generally known to the public.

6 The purpose of this Act is to require the office of the
7 attorney general to publish the percentage of donated funds
8 raised by professional solicitors that are received by the
9 charitable organization for which the funds were raised in a
10 daily newspaper of general circulation and on the attorney
11 general's website.

12 SECTION 2. Section 467B-8, Hawaii Revised Statutes, is
13 amended to read as follows:

14 **"§467B-8 Information filed to become public records. (a)**
15 Statements, reports, professional fundraising counsel contracts
16 or professional solicitor contracts, and all other documents and
17 information required to be filed under this chapter or by the
18 attorney general shall become government records in the
19 department and be open to the general public for inspection at
20 such times and under such conditions as the attorney general may
21 prescribe.



1 (b) The office of the attorney general shall publish the
 2 percentage of donated funds received by the charitable
 3 organization as reported in the financial reports required under
 4 467B-2.5 both on the attorney general's website and in
 5 accordance with section 1-28.5."

6 SECTION 3. There is appropriated out of the general
 7 revenues of the State of Hawaii the sum of \$20,000, or so much
 8 thereof as may be necessary for fiscal year 2007-2008, for
 9 expenses related to the publication required in section 2.

10 The sum appropriated shall be expended by the office of the
 11 attorney general for the purposes of this Act.

12 SECTION 4. New statutory material is underscored.

13 SECTION 5. This Act shall take effect on July 1, 2007.

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INTRODUCED BY: Will Espero

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Report Title:

Professional Charitable Solicitors; Disclosure; Appropriation

Description:

Requires the attorney general's office to publish the percentage of donated funds that are received by a charitable organization as reported by professional solicitors engaged in charitable fundraising. Makes an appropriation.

