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

8           However, Hawaii is one of only eleven 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 fifty-five  
14 budgeted positions, Pennsylvania had thirty positions, and  
15 Oregon had nearly twenty positions. Hawaii has a single deputy  
16 attorney general who serves on a part-time basis to oversee  
17 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:

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

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

19 **"§467B-A Registration of charitable organizations. (a)**  
20 Every public benefit corporation domiciled in Hawaii and every  
21 charitable organization not exempted by section 467B-C shall  
22 register with the department prior to conducting any



1 solicitation or prior to having any solicitation conducted on  
2 its behalf by others; provided that each charitable organization  
3 soliciting funds within the State prior to the effective date of  
4 this Act shall register with the attorney general no later than  
5 December 31, 2008. Two authorized officers of the charitable  
6 organization shall sign the registration form and shall certify  
7 that the statements therein are true and correct to the best of  
8 their knowledge subject to penalties imposed by section 710-  
9 1063. A chapter, branch, or affiliate in this State of a  
10 registered parent organization shall not be required to register  
11 if the principal office of the parent organization is located in  
12 this State and if the parent organization files a consolidated  
13 annual report for itself and its chapter, branch, or affiliate.

14 (b) The attorney general may make available a registration  
15 form to assist in the registration by charitable organizations  
16 that must register in other states and may designate the uniform  
17 registration statement developed by the National Association of  
18 State Charity Officials be used as the registration form under  
19 this section.

20 (c) The attorney general may require that registration  
21 forms be filed with the department electronically and may  
22 require the use of electronic signatures.



1        §467B-B Annual financial reports; fiscal records and fees.

2        (a) Every charitable organization required to register pursuant  
3        to section 467B-A shall annually file with the department a  
4        report for its most recently completed fiscal year. The report  
5        shall include a financial statement and other information as the  
6        department may require. The charitable organization shall file  
7        the report not more than eight months following the close of its  
8        fiscal year on or before the date the organization files a Form  
9        990 or 990EZ with the Internal Revenue Service. The report  
10       shall be accompanied by a filing fee as prescribed by subsection  
11       (d) and shall be signed by two authorized officers of the  
12       organization, one of whom shall be the chief fiscal officer of  
13       the organization. These officers shall certify that the report  
14       is true and correct to the best of their knowledge. The  
15       department shall prescribe the form of the report and may  
16       prescribe standards for its completion. The department may  
17       accept, under such conditions as the attorney general may  
18       prescribe, a copy or duplicate original of financial statements,  
19       reports, or returns filed by the charitable organization with  
20       the Internal Revenue Service or another state having  
21       requirements similar to the provisions of this section.



1       (b) A charitable organization with gross revenue in excess  
2 of \$1,000,000 in the year covered by the report shall include,  
3 with its financial statement, an audit report prepared by a  
4 certified public accountant. For purposes of this section,  
5 gross revenue shall not include grants or fees from government  
6 agencies or the revenue derived from funds held in trust for the  
7 benefit of the organization.

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

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

- 16       (1) \$10, if less than \$25,000;  
17       (2) \$25, if \$25,000 but less than \$50,000;  
18       (3) \$50, if \$50,000 but less than \$100,000;  
19       (4) \$100, if \$100,000 but less than \$250,000;  
20       (5) \$150, if \$250,000 but less than \$500,000;  
21       (6) \$200, if \$500,000 but less than \$1,000,000;  
22       (7) \$300, if \$1,000,000 but less than \$2,000,000;



1       (8) \$500, if \$2,000,000 but less than \$5,000,000; or

2       (9) \$750, if \$5,000,000 or more.

3       (e) If a return or report required under this section is  
4 not filed, taking into account any extension of time for filing,  
5 unless it is shown that the failure is due to reasonable cause,  
6 a fine of \$20 shall be imposed for each day during which the  
7 violation continues; provided that the total amount imposed  
8 under this subsection shall not exceed \$20,000. Returns and  
9 reports submitted without the proper filing fee shall not be  
10 accepted for filing.

11       (f) Every charitable organization subject to sections  
12 467B-A and 467B-B shall keep true fiscal records that shall be  
13 available to the department for inspection upon request. The  
14 organization shall retain the records for no less than three  
15 years after the end of the fiscal year to which they relate.

16       **\$467B-C Charitable organizations exempted from**  
17 **registration and financial disclosure requirements.** The  
18 following charitable organizations shall not be subject to  
19 sections 467B-A and 467B-B, if each organization submits  
20 information as the department may require to substantiate an  
21 exemption under this section:



- 1        (1) Any duly organized religious corporation, institution,  
2        or society;
- 3        (2) Any parent-teacher association or educational  
4        institution, the curricula of which in whole or in  
5        part are registered or approved by any state or the  
6        United States either directly or by acceptance of  
7        accreditation by an accrediting body;
- 8        (3) Any nonprofit hospital licensed by the State or any  
9        similar provision of the laws of any other state;
- 10       (4) Any governmental unit or instrumentality of any state  
11       or the United States;
- 12       (5) Any person who solicits solely for the benefit of  
13       organizations described in paragraphs (1) to (4); and
- 14       (6) Any charitable organization that normally receives  
15       less than \$25,000 in contributions annually, if the  
16       organization does not compensate any person primarily  
17       to conduct solicitations.

18       **§467B-D Investigations; subpoenas; court orders.** (a) The  
19       department, on its own motion or on complaint of any person, may  
20       conduct an investigation to determine whether any person has  
21       violated or is about to violate any provision of sections 467B-  
22       A, 467B-B, and 467B-9.





1       (b) The attorney general or the attorney general's  
2 authorized representative may subpoena documentary material  
3 relating to any matter under investigation, issue subpoenas to  
4 any person involved in or who may have knowledge of any matter  
5 under investigation, administer an oath or affirmation to any  
6 person, and conduct hearings on any matter under investigation.

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

16       SECTION 3. Section 467B-1, Hawaii Revised Statutes, is  
17 amended by adding two new definitions to be appropriately  
18 inserted and to read as follows:

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



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

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

6       "(a) Within ninety days after a solicitation campaign or  
7 event has been completed and on the anniversary of the  
8 commencement of a solicitation campaign lasting more than one  
9 year, a professional solicitor shall file with the attorney  
10 general a financial report for the campaign, including gross  
11 revenue and an itemization of all expenses incurred[+] on a form  
12 prescribed by the attorney general. This report shall be signed  
13 under penalty provided by section 710-1063 by the authorized  
14 contracting agent for the professional solicitor and two  
15 authorized officials of the charitable organization[+] and shall  
16 report gross revenue from Hawaii donors and national gross  
17 revenue from a solicitation activity or campaign. A  
18 professional solicitor shall maintain during each solicitation  
19 campaign and for not less than three years after the completion  
20 of that campaign the following records, which shall be available  
21 for inspection upon demand by the attorney general:



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

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

13 "(b) Prior to the commencement of any charitable sales  
14 promotion in this State conducted by a commercial co-venturer  
15 using the name of a charitable organization, the commercial co-  
16 venturer shall obtain the written consent of the charitable  
17 organization whose name will be used during the charitable sales  
18 promotion. The commercial co-venturer shall file a copy of the  
19 written consent with the department not less than ten days prior  
20 to the commencement of the charitable sales promotion within  
21 this State. An authorized representative of the charitable  
22 organization and the commercial co-venturer shall sign the



1 written consent, and the terms of the written consent shall  
2 include the following:

3       (1) The goods or services to be offered to the public;

4       (2) The geographic area where, and the starting and final  
5       date when, the offering is to be made;

6       (3) The manner in which the name of the charitable  
7       organization is to be used, including any  
8       representation to be made to the public as to the  
9       amount or per cent per unit of goods or services  
10       purchased or used that is to benefit the charitable  
11       organization;

12       (4) A provision for a final accounting on a per unit basis  
13       to be given by the commercial co-venturer to the  
14       charitable organization and the date when it is to be  
15       made; and

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

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

20       "**§467B-8 Information filed to become public records.**

21 Statements, reports, professional fundraising counsel contracts  
22 or professional solicitor contracts, and all other documents and



1 information required to be filed under this chapter or by the  
2 attorney general shall become government records in the  
3 department and be open to the general public for inspection [~~at~~  
4 ~~such times and under such conditions as the attorney general may~~  
5 ~~prescribe.~~] pursuant to chapter 92F; provided that information  
6 in any registration statement concerning the residential  
7 addresses of any officer or director or that identifies a  
8 charitable organization's financial or banking accounts shall be  
9 confidential under chapter 92F."

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

12 "**§467B-9 Prohibited acts.** (a) No person, for the purpose  
13 of soliciting contributions from persons in the State, shall use  
14 the name of any other person except that of an officer,  
15 director, or trustee of the charitable organization by or for  
16 which contributions are solicited, without the written consent  
17 of the other persons.

18 A person shall be deemed to have used the name of another  
19 person for the purpose of soliciting contributions if the latter  
20 person's name is listed on any stationery, advertisement,  
21 brochure, or correspondence in or by which a contribution is  
22 solicited by or on behalf of a charitable organization or the



1 latter person's name is listed or referred to in connection with  
2 a request for a contribution as one who has contributed to,  
3 sponsored, or endorsed the charitable organization or its  
4 activities.

5 (b) No charitable organization, professional solicitor, or  
6 professional fundraising counsel soliciting contributions shall  
7 use a name, symbol, or statement so closely related or similar  
8 to that used by another charitable organization or governmental  
9 agency that the use thereof would tend to confuse or mislead the  
10 public.

11 (c) No person, in connection with any solicitation or  
12 sale, shall misrepresent or mislead anyone by any manner, means,  
13 practice, or device whatsoever, to believe that the solicitation  
14 or sale is being conducted on behalf of a charitable  
15 organization or that the proceeds of the solicitation or sale  
16 will be used for charitable purposes, if that is not the fact.

17 (d) No professional solicitor, and no agent, employee,  
18 independent contractor, or other person acting on behalf of the  
19 professional solicitor, shall solicit in the name of or on  
20 behalf of any charitable organization unless:

21 (1) The professional solicitor has obtained the written  
22 authorization of two officers of the organization,



1           which authorization shall bear the signature of the  
2           professional solicitor and the officers of the  
3           charitable organization and shall expressly state on  
4           its face the period for which it is valid, which shall  
5           not exceed one year from the date of issuance, and has  
6           filed a copy of the written authorization with the  
7           attorney general prior to the solicitation; and

8           (2) The professional solicitor and any person who, for  
9           compensation, acts as an agent, employee, independent  
10          contractor, or otherwise on behalf of the professional  
11          solicitor carries a copy of the authorization while  
12          conducting solicitations, and exhibits it on request  
13          to persons solicited or police officers or agents of  
14          the department.

15          (e) No charitable organization, professional fundraising  
16          counsel, or professional solicitor subject to this chapter shall  
17          use or exploit the fact of filing any statement, report,  
18          professional fundraising counsel contracts, or professional  
19          solicitor contracts or other documents or information required  
20          to be filed under this chapter or with the department so as to  
21          lead the public to believe that the filing in any manner  
22          constitutes an endorsement or approval by the State of the



1 purposes or goals for the solicitation by the charitable  
2 organization, professional fundraising counsel, or professional  
3 solicitor; provided that the use of the following statement  
4 shall not be deemed a prohibited exploitation: "Information  
5 regarding this organization has been filed with the State of  
6 Hawaii department of the attorney general. Filing does not  
7 imply endorsement or approval of the organization or the public  
8 solicitation for contributions."

9 (f) No person, while soliciting, shall impede or obstruct,  
10 with the intent to physically inconvenience the general public  
11 or any member thereof in any public place or in any place open  
12 to the public.

13 (g) No person shall submit for filing on behalf of any  
14 charitable organization, professional fundraising counsel, or  
15 professional solicitor, any statement, financial statement,  
16 report, attachment, or other information to be filed with the  
17 department that contains information, statements, or omissions  
18 that are false or misleading.

19 (h) No person shall solicit contributions from persons in  
20 the State or otherwise operate in the State as a charitable  
21 organization, an exempt charitable organization, professional  
22 fundraising counsel, professional solicitor, or commercial co-





1 venturer unless the person has filed the information required by  
2 this chapter with the department in a timely manner.

3 (i) No person shall aid, abet, or otherwise permit any  
4 persons to solicit contributions from persons in the State  
5 unless the person soliciting contributions has complied with the  
6 requirements of this chapter.

7 (j) No person shall fail to file the information and  
8 registration statement, annual or financial reports, and other  
9 statements required by this chapter or fail to provide any  
10 information demanded by the attorney general pursuant to this  
11 chapter in a timely manner.

12 (k) No person shall employ in any solicitation or  
13 collection of contributions for a charitable organization, any  
14 device, scheme, or artifice to defraud or obtain money or  
15 property by means of any false, deceptive, or misleading  
16 pretense, representation, or promise.

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

21 (m) No person shall receive compensation from a charitable  
22 organization for obtaining moneys or bequests for that



1 charitable organization if that person has also received  
2 compensation for advising the donor to make the donation;  
3 provided that compensation may be received if the person obtains  
4 the written consent of the donor to receive compensation from  
5 the charitable organization.

6 (n) No person shall act as a professional solicitor if the  
7 person, any officer, any person with a controlling interest  
8 therein, or any person the professional solicitor employs,  
9 engages, or procures to solicit for compensation, has been  
10 convicted by any federal or state court of any felony, or of any  
11 misdemeanor involving dishonesty or arising from the conduct of  
12 a solicitation for a charitable organization or purpose.

13 (o) No charitable organization shall use the services of  
14 an unregistered professional solicitor or professional  
15 fundraising counsel."

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

18 **"§467B-9.7 Administrative enforcement and penalties.** (a)  
19 The attorney general may refuse to register, may revoke, or may  
20 suspend the registration of any charitable organization,  
21 professional fundraising counsel, or professional solicitor  
22 whenever the attorney general finds that a charitable



1 organization, professional fundraising counsel, or professional  
2 solicitor, or an agent, servant, or employee thereof:

3 (1) Has violated or is operating in violation of this  
4 chapter, the rules of the attorney general, or an  
5 order issued by the attorney general;

6 (2) Has refused or failed, after notice, to produce any  
7 records of the organization or to disclose any  
8 information required to be disclosed under this  
9 chapter or the rules of the attorney general;

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

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

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

19 (1) Revoke a grant of exemption from any provisions of  
20 this chapter;

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



1 (3) Impose an administrative fine not to exceed \$1,000 for  
2 each act or omission that constitutes a violation of  
3 this chapter and an additional penalty; not to exceed  
4 \$100, for each day during which the violation  
5 continues. Registration shall be automatically  
6 suspended upon final affirmation of an administrative  
7 fine until the fine is paid or until the normal  
8 expiration date of the registration. No registration  
9 shall be renewed until the fine is paid; or

10 (4) Place the registrant on probation for ~~such~~ any  
11 period of time and subject to ~~such~~ any conditions as  
12 the attorney general may determine.

13 (c) Any person aggrieved by an action of the attorney  
14 general under this section may request a hearing to review that  
15 action in accordance with chapter 91 and rules adopted by the  
16 attorney general. Any request for hearing shall be made within  
17 ten days after the attorney general has served the person with  
18 notice of the action, which notice shall be deemed effective  
19 upon mailing.

20 (d) The attorney general may apply to the circuit court  
21 for the first circuit, State of Hawaii, for relief, and the  
22 court may issue a temporary injunction or a permanent injunction



1 to restrain violations of this chapter, appoint a receiver,  
2 order restitution or an accounting, or grant other relief as may  
3 be appropriate to ensure the due application of charitable  
4 funds. Proceedings thereon shall be brought in the name of the  
5 State."

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

8 **"§467B-12 Filing requirements for professional fundraising**  
9 **counsel and professional solicitors.** (a) Every professional  
10 fundraising counsel or professional solicitor, prior to any  
11 solicitation, shall register with the department. The  
12 registration statement [~~shall be in the form prescribed by the~~  
13 ~~attorney general and~~] shall contain the information [~~as the~~  
14 ~~attorney general may require.~~] set forth in subsection (e). The  
15 registration statement shall be accompanied by a fee in the  
16 amount of \$250, or in the amount and with any additional sums as  
17 may be prescribed by the attorney general. [~~The statement shall~~  
18 ~~list the names and addresses of all owners, officers, and~~  
19 ~~directors of a professional fundraising counsel, and the names~~  
20 ~~and addresses of all owners, officers, and directors of a~~  
21 ~~professional solicitor.~~] Renewal registration statements shall  
22 be filed with the department on or before July 1 of each



1 calendar year by each professional fundraising counsel or  
2 professional solicitor [~~and shall be effective until June 30 of~~  
3 ~~the next calendar year~~]. The renewal statement shall [~~be in a~~  
4 ~~form prescribed by the attorney general.~~] contain the  
5 information set forth in subsection (e). A renewal fee of \$250,  
6 or in any amount and with any additional sums as may be  
7 prescribed by the attorney general, shall accompany the renewal  
8 statement.

9 (b) [~~The professional fundraising counsel or~~] Each  
10 professional solicitor, at the time of each filing, shall file  
11 with and have approved by the attorney general a bond in which  
12 the applicant is the principal obligor in the penal sum of  
13 \$25,000 issued with good and sufficient surety or sureties  
14 approved by the attorney general and which shall remain in  
15 effect for one year. The bond shall inure to the benefit of the  
16 State, conditioned that the applicant, its officers, directors,  
17 employees, agents, servants, and independent contractors shall  
18 not violate this chapter. A partnership or corporation that is  
19 a [~~professional fundraising counsel or~~] professional solicitor  
20 may file a consolidated bond on behalf of all its members,  
21 officers, and employees.



1 (c) The attorney general shall examine each registration  
 2 statement and supporting document filed by a professional  
 3 fundraising counsel or professional solicitor and shall  
 4 determine whether the registration requirements are satisfied.  
 5 If the attorney general determines that the registration  
 6 requirements are not satisfied, the attorney general shall  
 7 notify the professional fundraising counsel or professional  
 8 solicitor in writing within fifteen business days of its receipt  
 9 of the registration statement; otherwise the registration  
 10 statement is deemed to be approved. Within seven business days  
 11 after receipt of a notification that the registration  
 12 requirements are not satisfied, the professional fundraising  
 13 counsel or professional solicitor may request a hearing.

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

20 require that registration and renewal registration, surety  
 21 bonds, and contracts be filed with the department electronically  
 22 and may require the use of electronic signatures.



- 1       (e) Each registration and renewal registration shall  
2 contain:
- 3       (1) The names and addresses of all owners, officers, and  
4 directors of a professional fundraising counsel, and  
5 the names and addresses of all owners, officers, and  
6 directors of a professional solicitor;
- 7       (2) A statement concerning the corporate form of the  
8 registrant, whether corporation, limited liability  
9 corporation, partnership, or individual;
- 10       (3) A statement whether the registrant has an office in  
11 Hawaii and the name and phone number of the person in  
12 charge of the office;
- 13       (4) The names and addresses of any individuals supervising  
14 any solicitation activity;
- 15       (5) A statement whether the registration has entered into  
16 a consent agreement with, or been disciplined by or  
17 subject to administrative action by, another  
18 governmental agency;
- 19       (6) A statement whether any officer, director, or any  
20 person with a controlling interest in the registrant  
21 has ever been convicted of a felony or a misdemeanor





- 1           involving dishonesty in the solicitation for a  
2           charitable purpose;
- 3       (7) The date that the registrant began soliciting Hawaii  
4           residents on behalf of a charitable organization or  
5           providing professional fundraising counsel services;
- 6       (8) Whether any owners, directors, or officers are related  
7           to:
- 8           (A) Any other officers, directors, owners, or  
9           employees of the registrant;
- 10          (B) Any officer, director, trustee, or employee of a  
11           charitable organization under contract with the  
12           registrant; or
- 13          (C) Any vendor or supplier providing goods or  
14           services to a charitable organization under  
15           contract with the registrant."

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



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

3           SECTION 11. In codifying the new sections added by section  
4 2 of this Act, the revisor of statutes shall substitute  
5 appropriate section numbers for the letters used in designating  
6 the new sections in this Act.

7           SECTION 12. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9           SECTION 13. This Act shall take effect upon its approval;  
10 provided that section 10 of this Act shall take effect on July  
11 1, 2008.



**Report Title:**

Charitable Trusts and Nonprofit Organizations; Accountability;  
Appropriation

**Description:**

Requires charitable trusts and nonprofits to register and file annual financial reports with the attorney general. Authorizes the attorney general to conduct 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 SD2)

