

Honolulu, Hawaii

FEB 15 2008

RE: S.B. No. 3171
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committees on Judiciary and Labor and Commerce, Consumer Protection, and Affordable Housing, to which was referred S.B. No. 3171 entitled:

"A BILL FOR AN ACT RELATING TO CHARITABLE TRUSTS AND
NONPROFIT ORGANIZATIONS,"

beg leave to report as follows:

The purpose of this measure is to protect charitable giving by providing oversight for charitable organizations in the State.

Specifically, this measure:

- (1) Requires charitable trusts and nonprofit organizations to register and file annual financial reports with the Attorney General;
- (2) Provides standards for registration of professional fund raising counsel and professional solicitors and registration of charitable trusts and nonprofits;
- (3) Authorizes the Attorney General to investigate possible violations;
- (4) Prohibits contracting with unregistered solicitors;
- (5) Requires submittal of a fee with this annual financial report, based on total revenue of the organization; and



- (6) Appropriates funds to staff additional positions in the Department of the Attorney General.

Your Committees received testimony in support of this measure from the Attorney General and the Children's Alliance of Hawaii. The Domestic Violence Action Center submitted testimony in opposition. The Hawaii Alliance of Nonprofit Organizations and ARC of Maui County offered comments.

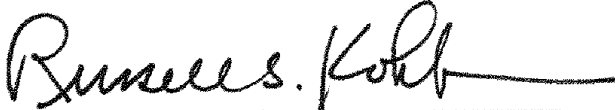
Upon further consideration, your Committees have amended this measure by:

- (1) Requiring a charitable organization to file a report not more than eight months, rather than four months, following the close of a charitable organization's fiscal year on or before the date the organization files a Form 990 or 990EZ with the Internal Revenue Service;
- (2) Adding a new section 6 to amend section 467B-8, Hawaii Revised Statutes, and renumbering the remaining sections to provide that information in any registration statement concerning the residential addresses of any officer or director or that identifies a charitable organization's financial or banking accounts shall be confidential under the Uniform Information Practices Act;
- (3) Changing the date on which the new registration requirements are to take effect from January 9, 2009, to January 1, 2009; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

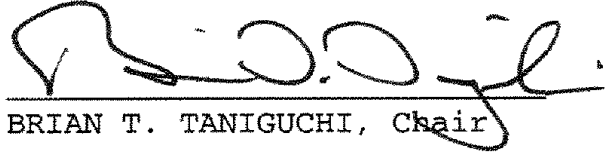
As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3171, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3171, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Judiciary and
Labor and Commerce, Consumer
Protection, and Affordable
Housing,



RUSSELL S. KOKUBUN, Chair




BRIAN T. TANIGUCHI, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Commerce, Consumer Protection and Affordable Housing
CPH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 3171	JDL/CPH, WAM	2-13-08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KOKUBUN, Russell S. (C)	✓			
IGE, David Y. (VC)				✓
ESPERO, Will	✓			
IHARA, Jr., Les	✓			
SAKAMOTO, Norman				✓
TANIGUCHI, BRIAN T.	✓			
TRIMBLE, Gordon			✓	
TOTAL	4	0	1	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes