

STAND. COM. REP. NO. 2787

Honolulu, Hawaii

FEB 29 2008

RE: S.B. No. 3171  
S.D. 2

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 3171, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to protect the public by establishing oversight over charitable organizations to ensure against improper and illegal conduct by charities and their leaders.

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 conduct investigation on possible violations;
- (4) Prohibits contracting with unregistered solicitors;
- (5) Requires submittal of a filing fee based upon the total revenue of an organization; and



- (6) Appropriates funds to staff additional positions within the Department of the Attorney General to help provide oversight.

Your Committee received testimony in support of this measure from the Children's Alliance of Hawaii. The Hawaii Alliance of Nonprofit Organizations offered comments.

Upon further consideration, your Committee has amended this measure by:

- (1) Inserting a provision to new section 467B-A, Hawaii Revised Statutes, in section 2 of the measure to require each charitable organization soliciting funds within the State prior to the effective date of the measure to register with the Attorney General no later than December 31, 2008; and
- (2) Deleting the proviso in paragraph (1) of section 13 of the measure providing that the amendments in section 2 of the measure take effect on January 1, 2009, and making other necessary conforming amendments to section 13.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3171, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3171, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



ROSALYN H. BAKER, Chair



