

STAND. COM. REP. NO. 2071

Honolulu, Hawaii

FEB - 9 2010

RE: S.B. No. 2669  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2669 entitled:

"A BILL FOR AN ACT RELATING TO THE SOLICITATION OF FUNDS FROM THE PUBLIC,"

begs leave to report as follows:

The purpose of this measure is to clarify and strengthen the Attorney General's authority to enforce Hawaii's charitable solicitation law.

Your Committee received testimony in support of this measure from the Department of the Attorney General, The Nature Conservancy, Hawai'i Alliance of Nonprofit Organizations, and the Hawaii Association of Independent Schools. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii's current law governing charitable organizations and solicitation by charitable organizations provides strong protections for consumers and prevents abuse by unscrupulous companies that seek to defraud consumers under false pretenses of charitable giving. Your Committee finds that the online, searchable listing of registered charities available at <http://hawaii.gov/ag/charities/> is particularly helpful in assisting members of the public in making informed decisions regarding charitable giving.



Your Committee finds that this measure will make it easier for the Department of the Attorney General to enforce the law, including by facilitating the subpoena of records from and investigation of out-of-state telemarketers who solicit funds from Hawaii residents for purported charitable purposes. Your Committee further finds that this measure will ease the compliance burden on charitable organizations that do follow the law by clarifying reporting requirements and streamlining the reporting process. Finally, your Committee finds that clarifications to exemptions from the current registration requirements are in accord with the intention of the law that these exemptions be narrowly tailored.

Your Committee has amended this measure by:

- (1) Clarifying that the Department of the Attorney General shall serve as agent for purposes of service of process only for out-of-state charitable organizations that do not have a registered agent with the Department of Commerce and Consumer Affairs;
- (2) Clarifying that the registration exemption for private schools includes schools that are licensed or accredited by a specified licensing or accrediting organization;
- (3) Adding the National Association for the Education of Young Children to the list of specified licensing or accrediting organizations for private schools; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and accuracy in its language.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2669, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2669, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.



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Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,



ROSALYN H. BAKER, Chair



