

STAND. COM. REP. NO. 395

Honolulu, Hawaii

Feb 17, 2011

RE: H.B. No. 1006
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred H.B. No. 1006 entitled:

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

beg leave to report as follows:

The purpose of this bill is to amend Hawaii's charitable
solicitation law by, among other things:

- (1) Establishing the Department of the Attorney General (AG)
as the default agent for service of process in
investigations and other proceedings, when the
organization does not have a registered agent with the
Department of Commerce and Consumer Affairs (DCCA);
- (2) Allowing the AG to issue a cease and desist order to any
charitable organization found to be soliciting
contributions in violation of the law;
- (3) Clarifying requirements for the filing of annual
financial reports and fiscal records and fees; and
- (4) Exempting certain charitable educational institutions
from the registration and financial disclosure
requirements.



DCCA, Hawaii Association of Independent Schools, and The Nature Conservancy of Hawaii testified in support of this bill. The AG supported this measure with amendments.

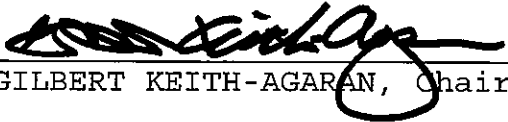
Your Committees have amended this bill by:

- (1) Clarifying that charitable organization financial reports are based on the total amount of gross revenues, rather than income and receipts;
- (2) Decreasing the amounts of filing fees, based on gross revenues, as follows:
 - (A) \$300 to \$250, for gross revenues between \$1,000,000 and less than \$2,000,000;
 - (B) \$500 to \$350, for gross revenues between \$2,000,000 and less than \$5,000,000; and
 - (C) \$750 to \$600, for gross revenues \$5,000,000 or more;
- (3) Adding the National Association for the Education of Young Children to the list of organizations that license or accredit educational institutions that are exempt from the registration and financial disclosure requirements; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1006, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1006, H.D. 1, and be referred to the Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Judiciary,



GILBERT KEITH-AGARAN, Chair



ROBERT N. HERKES, Chair



