

STAND. COM. REP. NO. 1128

Honolulu, Hawaii

March 24, 2011

RE: S.B. No. 1233
S.D. 2
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 S.B. No. 1233, S.D. 2, 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.

SB1233 HD1 HSCR CPC-JUD HMS 2011-3108



The Hawaii Association of Independent Schools, The Nature Conservancy of Hawaii, the Hawaii Alliance of Nonprofit Organizations, and several individuals supported this measure. The AG and the Council for Advancement and Support of Education supported the bill, suggesting amendments. A concerned individual provided comments.

Your Committees have amended this bill by:

- (1) Reinserting amounts of filing fees for charitable organizations with gross revenues of \$1,000,000 or more;
- (2) Exempting from the registration and financial disclosure requirements, such organizations as educational institution foundations or alumni associations, which are the primary organizations soliciting funds for certain educational institutions; and
- (3) Changing the effective date to upon approval.

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 S.B. No. 1233, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1233, S.D. 2, 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



