

STAND. COM. REP. NO. 1505

Honolulu, Hawaii

April 8, 2011

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

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 1233, S.D. 2, H.D. 1, 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 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 certain organizations or persons do 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 filing annual financial reports and fiscal records and fees of charitable organizations; and
- (4) Exempting certain charitable educational institutions, including educational institution foundations or alumni

SB1233 HD2 HSCR FIN HMS 2011-3500



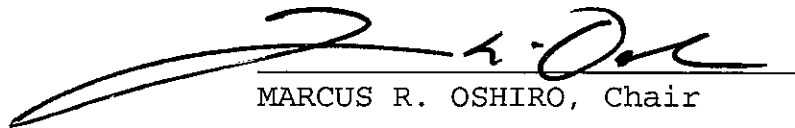
associations, from the registration and financial disclosure requirements.

The AG, Hawaii Association of Independent Schools, The Nature Conservancy of Hawaii, Nonprofit Federation of the Direct Marketing Association, Council for Advancement and Support of Education, and several concerned individuals testified in support of this bill. The Hawaii Alliance of Nonprofit Organizations and a concerned individual offered comments.

Your Committee has amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1233, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1233, S.D. 2, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



