

STAND. COM. REP. NO.

1446

Honolulu, Hawaii

April 4, 2013

RE: S.B. No. 1020
S.D. 1
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 1020, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CHARITABLE SOLICITATION,"

begs leave to report as follows:

The purpose of this measure is to extend existing reporting, recordkeeping, and remedial requirements that regulate registered charities, professional fundraising counsel, and professional solicitors to commercial co-venturers.

Among other things, this bill:

- (1) Amends the definition of "professional solicitor" under Hawaii law regulating the solicitation of funds from the public;
- (2) Deletes language requiring that registration forms for charitable organizations use a uniform registration statement developed by the National Association of State Charity Officials;
- (3) Extends reciprocal agreements between the Attorney General and other states for information exchange purposes to include commercial co-venturers;

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- (4) Requires commercial co-venturers to keep accurate records of their activities;
- (5) Lessens the time period from five years to three years, in which records are to be retained by charitable organizations, professional fundraising counsels, professional solicitors, and commercial co-venturers;
- (6) Imposes a fine on any commercial co-venturer who fails to file a written consent;
- (7) Makes commercial co-venturers subject to the public record, financial statement, prohibition, and enforcement requirements applicable to charitable organizations, professional fundraising counsel, and professional solicitors under Hawaii law governing the solicitation of funds from the public;
- (8) Provides that audited financial statements submitted by registered charities under Hawaii law governing the solicitation of funds from the public, are confidential;
- (9) Specifies the amount of contributions charitable organizations are to receive to qualify for exemption from the registration and financial disclosure requirements under Hawaii law governing the solicitation of funds from the public; and
- (10) Establishes a fine for professional fundraising counsel and professional solicitors who fail to file their renewal registration.

The Department of the Attorney General commented on this measure.

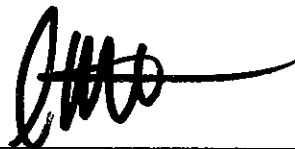
Your Committee has amended this measure by:

- (1) Applying the \$20 fine for the delinquent filing of a return or report by charitable organizations, to the delinquent payment of the filing fee required for submitting an annual financial report under Hawaii law governing the solicitation of funds from the public; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1020, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1020, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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



ANGUS L.K. MCKELVEY, Chair



