

Honolulu, Hawaii
February 14, 2014

RE: H.B. No. 2244
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2244 entitled:

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

begs leave to report as follows:

The purpose of this measure is to provide the public with greater donor protections and to facilitate the Attorney General's transitioning to electronic registration systems for registered charitable organizations and their commercial co-venturers and professional solicitors by:

- (1) Clarifying the existing registration requirements;
- (2) Requiring conspicuous disclosures by for-profit businesses and charitable organizations at collection bins for household items, clothing, and other donated items;
- (3) Allowing the electronic filing of a professional solicitor's end of campaign financial report and imposing late fees on late submissions;
- (4) Clarifying when a final accounting is due by a commercial co-venturer conducting cause related marketing and authorizing the Attorney General to impose a civil penalty on any commercial co-venturer who violates section 467B-5.5(b), Hawaii Revised Statutes;



- (5) Eliminating the annual fee for charities that normally receive under \$25,000 in contributions; and
- (6) Clarifying the exemption for accredited educational institutions.

The Department of the Attorney General testified in support of this measure. The Hawaii Alliance of Nonprofit Organizations provided comments on this measure.

Your Committee has amended this measure by:

- (1) Requiring that the written consent of a charitable organization to a co-venturer contain a statement that specifies that a final accounting on a per unit basis be given by the commercial co-venturer to the charitable organization no more than 90 days after the end of the charitable sales promotion;
- (2) Changing the effective date of this measure to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of 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 H.B. No. 2244, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2244, H.D. 1, and be referred to the Committee on Judiciary.

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



ANGUS L.K. MCKELVEY, Chair



