

Honolulu, Hawaii

February 28, 2014

RE: H.B. No. 2244  
H.D. 2

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

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 2244, H.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 provide the public with greater donor protections and improve the State's oversight of charitable activities by, among other things:

- (1) Clarifying existing registration requirements for public benefit corporations and charitable organizations;
- (2) Requiring the conspicuous disclosure of specified information by for-profit and non-profit organizations at collection bins for contributed items;
- (3) Establishing a fine of \$20 for each day that a required financial report is not filed by a professional solicitor; provided that the total fines imposed do not exceed \$1,000;
- (4) Requiring the professional solicitor to provide a copy of the financial report to the charitable organization to which the financial report pertains within 10 days of the professional solicitor's submission of the report to the Attorney General;



- (5) Allowing the Attorney General to take certain actions against and penalize commercial co-venturers that engage in prohibited conduct;
- (6) Eliminating the annual filing fee for charitable organizations that receive less than \$25,000 in total gross revenues per year; and
- (7) Allowing the Attorney General to require that certain filings by charitable organizations be made electronically.

The Department of the Attorney General supported this bill.

Your Committee has amended this bill by:

- (1) Amending and clarifying the requirements for the conspicuous disclosure of information at collection bins owned and operated by charitable organizations, professional solicitors, and for-profit organizations;
- (2) Raising to \$100 the initial fine for a professional solicitor's failure to file the required financial report and imposing an additional fine of \$20 for each day during which the violation continues; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2244, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2244, H.D. 2.

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



KARL RHOADS, Chair



