

Honolulu, Hawaii

March 21, 2014

RE: S.B. No. 2250
S.D. 2
H.D. 1

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

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred S.B. No. 2250, S.D. 2, entitled:

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

beg leave to report as follows:

The purpose of this measure is to amend state law regarding
the solicitation of contributions from the public.

More specifically, this measure:

- (1) Requires certain disclosures on collection boxes that
are owned and operated by a:
 - (A) Charitable organization exempt from the income tax
under section 501(c)(3) of the Internal Revenue
Code;
 - (B) Professional solicitor; or
 - (C) For-profit organization that is not a professional
solicitor or an organization exempt from the income
tax under section 501(c)(3) of the Internal Revenue
Code;



- (2) Clarifies registration requirements for:
 - (A) Hawaii domiciled charitable organizations; and
 - (B) Nonprofit organizations covered by an Internal Revenue Service group exemption ruling;
- (3) Authorizes the Attorney General to require electronic financial reporting by professional solicitors;
- (4) Imposes a fee for late financial reports by professional solicitors;
- (5) Amends the time within which a commercial co-venturer must provide a final accounting to a charitable organization, and provides penalties that the Attorney General may impose on a commercial co-venturer for violation of chapter 467B, Hawaii Revised Statutes;
- (6) Clarifies exemptions from registration requirements; and
- (7) Makes other technical and housekeeping amendments to chapter 467B, Hawaii Revised Statutes.

Your Committees find that this measure will provide greater protections for consumers and donors by establishing new disclosure requirements for collection boxes operated by for-profit and nonprofit organizations. Your Committees also believe that this measure will facilitate the Attorney General's transition to electronic registration systems and provide greater clarity with regard to registration and reporting requirements.

Your Committees have amended this measure by changing the effective date to December 21, 2112, to facilitate further discussion on the measure.

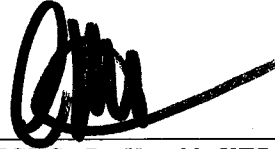
As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2250, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2250, 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,



KARL RHOADS, Chair



ANGUS L.K. MCKELVEY, Chair



