

SB2250

SD1

LATE

TESTIMONY



Hawaiian Humane Society
People for animals. Animals for people.

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February 12, 2014

The Honorable Clayton Hee, Chair
The Honorable Maile S.L. Shmabukuro, Vice Chair
And Members
Senate Committee on Judiciary and Labor
Hawaii State Capitol
415 South Beretania Street

RE: Testimony regarding SB 2250 SD1 Relating to Charitable Solicitation—Comments Only

The Hawaiian Humane Society thanks you for accepting our comments on the above referenced bill.

Senate Bill 2250 SD1 is a comprehensive bill that addresses collection boxes, solicitation, professional solicitors and commercial co-venturers. It is the section on commercial co-venturers that we would like to offer comments.

Section 4, HRS §467B-5.5 discusses commercial co-venturer's charitable sales promotions. The Hawaiian Humane Society works with commercial entities that fundraise on our behalf. Section (b) (4) of the bill requires the commercial co-venturer to provide an accounting to the charitable organization 30-days after the end of the charitable sales promotion. We do not believe this is a practical amount of time and think that 90-days provide a more reasonable timeframe. We envision a scenario where the commercial entity might need more time for the finances to settle and requiring only 30-days to report could make them decide to withdraw support from the project.

We urge this committee to amend the bill as stated above. Thank you for reviewing our comments.

Mary Steiner
Policy Advocate



**Testimony to the Senate Committee on Judiciary and Labor
Senator Clayton Hee, Chair
Senator Maile Shimabukuro, Vice Chair
Wednesday, February 12, 2014 at 10:00 a.m.
Conference Room 016
SB2250 - Relating to Charitable Solicitation**

Dear Chair Hee, Vice Chair Shimabukuro, and members of the committee:

On behalf of the Hawai'i Alliance of Nonprofit Organizations, I would like to offer our **comments regarding SB2250**. This bill addresses various issues related to charitable solicitation, collection bins for donated items, commercial co-venturers, and nonprofit registration requirements.

Hawai'i Alliance of Nonprofit Organizations (HANO) is a statewide, sector-wide professional association of nonprofits. Our mission is to unite and strengthen the nonprofit sector as a collective force to improve the quality of life in Hawai'i. Our member organizations provide essential services to every community in the state.

Our comments are as follows:

Section 4 regarding commercial co-venturers – concerns about the 30 day reporting deadline and \$1,000 fine.

We support strong measures for accountability, but we also want to ensure that we do not create disincentives for those interested in engaging in charitable sales promotions to support causes in our community.

Deadline for final accounting: We are concerned that the proposed 30 days reporting deadline is a very rapid turnaround in the case of a large scale community effort or for an effort with limited staff. We have heard that it can take a long time to finalize these efforts, especially in cases where the company is based on the mainland or has many bureaucratic steps to complete before closing out the charitable sales promotion. If the required deadline is too quick, it may be unrealistic for businesses to comply and we are concerned they may instead choose not to participate in charitable sales promotions at all. Therefore, we would suggest a much longer timeframe than 30 days, or simply leave the language as it is currently in HRS -- leave it up to the charity and the business to determine the date.

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Hawaii Alliance of Nonprofit Organizations
Testimony to JDL on Senate Bill 2250

Administrative Fines: This section of the bill also establishes a new administrative fine of up to \$1,000 for each violation. We recognize the need for enforcement, however, we do not know whether there is widespread abuse of co-ventures and whether a high fine is necessary. We are concerned that a high fine of \$1,000 may be intimidating for those looking to engage in a charitable sales promotion.

Need for education/awareness: We would note that additional education and awareness is needed regarding laws relating to commercial co-venturers. Especially if this bill is enacted, we would suggest the Attorney General's office engage in efforts to provide more education to nonprofits, businesses, and the public about these laws. As a statewide alliance of nonprofits, HANO would be willing to assist in this effort as well.

Section 6 regarding filing fees – support for eliminating the filing fee for organizations with revenue under \$25,000. We support this change as it may encourage additional small organizations to file. With more organizations filing, the state will have more data about Hawaii's nonprofit sector.

Thank you very much for your consideration.

Mahalo,

Lisa T. Maruyama
President and CEO