

SB2250

Measure Title: RELATING TO CHARITABLE SOLICITATION.

Report Title: Charitable Solicitation

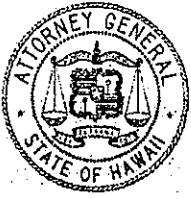
Description: Requires certain disclosures on collection boxes for donated clothing and household items by for-profit and nonprofit organizations; clarifies registration requirement for Hawaii domiciled charitable organizations and by nonprofits covered by an IRS Group Exemption Ruling; authorizes the Attorney General to require electronic financial reporting by professional solicitors, imposes a late fee for late financial reports by professional solicitors; clarifies that commercial co-venturers must provide a final accounting within thirty days; clarifies exemptions from registration requirements; and makes other technical and housekeeping amendments to chapter 467B, Hawaii Revised Statutes.

Companion:

Package: None

Current Referral: CPN, JDL

Introducer(s): HEE



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SEVENTH LEGISLATURE, 2014**

ON THE FOLLOWING MEASURE:

S.B. NO. 2250, RELATING TO CHARITABLE SOLICITATION.

BEFORE THE:

SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

DATE: Wednesday, January 29, 2014 **TIME:** 9:00 a.m.

LOCATION: State Capitol, Room 229

TESTIFIER(S): David M. Louie, Attorney General, or
Kathryn Kanemori, Deputy Attorney General

Chair Baker and Members of the Committee:

The Attorney General supports the passage of this bill with one amendment and one technical amendment.

The purposes of this bill are to: (1) improve upon and clarify provisions of Hawaii's charitable solicitation and registration law through the creation of a new section devoted to collection bins used for donations of household items and clothing; (2) make amendments to provisions regulating charitable sales promotions by commercial co-venturers; (3) make technical amendments to facilitate electronic registration and reporting by registered professional solicitors; and (4) make clarifying and technical or housekeeping amendments.

We ask that you pass this bill out of Committee as described below.

Collection Box Disclosures

Section 2, page 3, lines 3 to 5 of this bill amends the definition of "professional solicitor" in section 467B-1, Hawaii Revised Statutes (HRS), to provide that for purposes of chapter 467B, HRS, a professional solicitor is classified as a for-profit organization. This amendment is probably unnecessary because all professional solicitors are for-profit entities or enterprises; however, if the Committee wishes to retain this wording, we suggest that the sentence contained on page 3, lines 3 to 5 that states, "For purposes of this chapter, a professional solicitor shall be classified as a for-profit organization" be deleted from section 2 of this bill and inserted at the end of the new text of subsection (d) in section 1 of this bill, to cross reference the new section being created with respect to collection box disclosures. Additionally, we suggest that the word

“chapter” be changed to “section.” This will make clear that a professional solicitor is a for-profit organization for purposes of the new regulations pertaining to collection box disclosures.

Technical Amendment

The Attorney General requests that the phrase “taking into account any extension of time for filing” on page 5, of lines 9 and 10 be deleted from section 4 of the bill. Section 467B-2.5, HRS, does not authorize the Attorney General to grant such extensions so this statutory language is superfluous.

The Attorney General requests the Committee’s favorable consideration of this bill with the amendments noted above.