

Honolulu, Hawaii
February 19, 2016

RE: H.B. No. 2283
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2283 entitled:

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

begs leave to report as follows:

The purpose of this measure is to make several amendments to Hawaii's charitable solicitation law.

More specifically, this measure:

- (1) Clarifies that persons are not subject to registration requirements applicable to professional fundraising counsels, solely by virtue of the fact that they assist in preparing grant and subsidy applications;
- (2) Requires registered professional solicitors to make certain affirmative disclosures in the course of solicitation to ensure that potential donors know they are being contacted by a paid solicitor and to prevent donor confusion;
- (3) Authorizes the Attorney General to require the electronic submission of end of solicitation campaign financial reports by professional solicitors and to authorize a late filing fee for the late submission of such reports;



- (4) Renames what is currently labeled as a "fine" for the late submission of a written consent form by a commercial co-venturer as a "late fee";
- (5) Renames what is currently labeled as a "fine" for the late submission of a registered charity's annual financial report as a "late fee";
- (6) Repeals current statutory language that requires two authorized officials of a charitable organization to sign a professional solicitor's solicitation campaign financial report; and
- (7) Amends the list of charitable organizations that are exempt from the registration and filing requirements to include certain educational institutions and licensed health care institutions.

The Department of the Attorney General and the Association of Fundraising Professionals, Aloha Chapter provided testimony in support of this measure.

Your Committee finds this measure requires greater transparency from professional solicitors who engage with prospective donors and encourages prompt financial reporting by instituting late fees for untimely filing solicitation campaign financial reports. Your Committee also finds that it is appropriate to rename current fines in the charitable solicitation law as "late fees," since charities that register in other states may be required to annually report whether they have been subject to any disciplinary action by another jurisdiction.

Your Committee has amended this measure by changing the effective date to July 1, 2112, to facilitate further discussion on the measure.

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. 2283, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2283, H.D. 1, and be referred to your Committee on Judiciary.



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



ANGUS L.K. MCKELVEY, Chair



