

Honolulu, Hawaii

MAR 03 2016

RE: S.B. No. 2812
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2812, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to amend the charitable solicitation and registration law.

Specifically, this measure:

- (1) Exempts individuals who prepare grant or subsidy applications from the charitable solicitation and registration requirements;
- (2) Requires professional solicitors to make various disclosures at the start of any contribution solicitation;
- (3) Authorizes the Attorney General to require that professional solicitors submit their end of solicitation campaign financial reports electronically;
- (4) Imposes fees for reports not filed in a timely manner;
- (5) Amends late filing penalties labeled as "fines" to "late filing fees"; and



- (6) Expands the charitable organizations that are exempt from registration and financial disclosure requirements.

Your Committee received written comments in support of this measure from the Department of the Attorney General and Aloha United Way.

Your Committee finds that an investigation related to the Hawaii Police Athletic Federation charitable organization found that a professional solicitor led donors to believe that the charitable organization had contacted the prospective donors, instead of a solicitor paid to obtain donations. This led to donor confusion, while in fact, the professional solicitor had retained eighty percent of the donations. Your Committee believes that the amendments made by this measure will require greater transparency by professional solicitors and help to reduce donor confusion and deception.


Your Committee has amended this measure by:

- (1) Adding a savings clause to ensure that the changes made by the measure do not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date; and
- (2) Changing the effective date to January 1, 2017, to provide professional solicitors, charitable organizations, and other individuals and organizations with adequate notice of the amendments made by this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2812, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2812, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

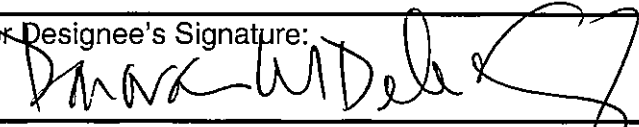


JILL N. TOKUDA, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 2812, SD 1	Committee Referral: CPH/SDL, WAM	Date: 7/25/10		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood				/
HARIMOTO, Breene	/			
INOUYE, Lorraine R.	/			
RIVIERE, Gil	/			
TANIGUCHI, Brian T.				/
WAKAI, Glenn				/
SLOM, Sam	/			
TOTAL	8			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes