



**WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-NINTH LEGISLATURE, 2017**

ON THE FOLLOWING MEASURE:

H.B. NO. 1028, H.D. 2, S.D. 1, RELATING TO CHARITABLE ORGANIZATIONS.

BEFORE THE:

SENATE COMMITTEE ON JUDICIARY AND LABOR

DATE: Wednesday, March 29, 2017 **TIME:** 9:30 a.m.

LOCATION: State Capitol, Room 016

TESTIFIER(S): **WRITTEN TESTIMONY ONLY.**
(For more information, contact Hugh Jones,
Deputy Attorney General, at 586-1473)

Chair Keith-Agaran and Members of the Committee:

The Department of the Attorney General supports this Administration bill and asks that it be passed in its current form. The purpose of this bill is to make amendments to the laws governing the regulation of charitable organizations and activities in Hawaii.

The bill adds a definition of "property" to clarify the scope of the Attorney General's authority over protection of charitable assets. Act 217, Session Laws of Hawaii 2014, codified section 3 of the Model Protection of Charitable Assets Act (Act) as section 28-5.2, Hawaii Revised Statutes. Section 28-5.2 gives the Attorney General regulatory authority over charitable assets regardless of the form in which they are held. The term "charitable asset" is defined by section 28-5.2(d) as property. This bill will create a new definition of "property" using wording from the Commentary to section 3 of the Act to provide greater clarity and guidance.

The bill contains several housekeeping provisions addressing the regulation of charitable organizations and activities. These include provisions: allowing agents to electronically sign initial registrations rather than allowing only a corporate officer to do so; requiring notification and specifying procedures for deactivations of registrations for charities no longer operating in Hawaii; clarifying due dates and procedures for filing of financial reports for fundraising campaigns by professional solicitors; clarifying that the

timeline for the annual filing requirement for private foundations is the same as for other charities; deleting the requirement that the Attorney General approve extensions for filing annual reports since those are already governed by the due dates imposed by the Internal Revenue Service; updating wording describing approved accrediting organizations for purposes of exempting educational institutions and affiliated supporting organizations from registration; and clarifying that there are discrete exemption categories for educational institutions and affiliated supporting organizations.

This bill will assist the Attorney General in the oversight of charitable organizations and fundraising activities, will clarify regulatory procedures for the nonprofit sector, and will provide additional disclosures to the public.

We respectfully request that the Committee pass this bill as is.



***Our Vision:** Charitable organizations have the philanthropic resources necessary to fulfill their missions for a better Hawaii.*

***Our Mission:** We advance philanthropy throughout Hawaii by actively promoting the practice of ethical and effective fundraising with education, training, advocacy, and mentoring for the benefit of all, with the spirit of aloha.*

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March 29, 2017 at 9:30am

Conference Room 016

Senate Committee on Judiciary and Labor

To: Senator Gilbert S.C. Keith-Agaran

From: Sanae Tokumura, ACFRE, APR
President

RE: HB 1028, HD2, SD1 – Testimony in Support

My name is Sanae Tokumura, President of the Association of Fundraising Professionals – Aloha Chapter (AFP Aloha Chapter). The AFP Aloha Chapter advances philanthropy throughout Hawaii by actively promoting the practice of ethical and effective fundraising. We are committed to education, training, advocacy, and mentoring in the field of fundraising for the benefit of all, with the spirit of aloha. Founded in Hawaii in 1983, the Association of Fundraising Professionals (AFP) Aloha Chapter is a professional association whose membership is comprised of persons involved in non-profit development, non-profit management and fundraising consulting. The chapter members represent organizations on Oahu, Maui, Kauai and the Big Island.

The Association of Fundraising Professionals Aloha Chapter supports HB 1028, HD2, SD1 and the multiple amendments it makes to the laws governing the regulation of charitable organizations in Hawai'i. AFP appreciates this measure's proposals that seek to improve and clarify the charitable solicitation law.

Thank you for the opportunity to testify in support of HB 1028, HD2, SD1.

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: michaelr@kapiolani.org
Subject: Submitted testimony for HB1028 on Mar 29, 2017 09:30AM
Date: Tuesday, March 28, 2017 9:35:31 AM

HB1028

Submitted on: 3/28/2017

Testimony for JDL on Mar 29, 2017 09:30AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Sanae Tokumura	Association of Fundraising Professionals Aloha Chapter	Support	No

Comments: Writing in support of HB 1028 HD2, SD1.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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