STAND. COM. REP. NO. **287**-18

Honolulu, Hawaii

February 12, 2018

RE: H.B. No. 2321 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2321 entitled:

"A BILL FOR AN ACT RELATING TO CHARITABLE ORGANIZATIONS," begs leave to report as follows:

The purpose of this measure is to make clarifying amendments to Hawaii's charitable solicitations laws by:

- (1) Replacing the term "gross revenue" with "total revenue" to be consistent with the IRS Form 990;
- (2) Clarifying that professional solicitors must file financial reports annually and after the completion of the campaign or event;
- (3) Requiring co-venturers to deliver an accounting and the benefit to the charitable organization within a specified timeframe; and
- (4) Relieving registered charitable organizations that receive more than \$500,000 in contributions and are not required to obtain an audit report by any other party from the requirement to submit an audit report to the Attorney General; and

(5) Protecting audit reports from all charitable organizations, not just charities, from public disclosure.

The Department of the Attorney General, Aloha United Way, Association of Fundraising Professionals Aloha Chapter, Hawaii Association of Independent Schools, and Hawaii Council of Private Schools, LLC testified in support of this measure.

Your Committee has amended this measure by:

- (1) Making educational institutions licensed by the Hawaii Council of Private Schools eligible for exemption from the registration and financial disclosure requirements;
- (2) Changing its effective date to July 1, 2050, to promote further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

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. 2321, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2321, H.D. 1, and be referred to your Committee on Finance.

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

ROY M. TAKUMI, Chair

State of Hawaii House of Representatives The Twenty-ninth Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 2321	CPC FIN	Date:	21211	9
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)	V			
2. ICHIYAMA, Linda (VC)			Transfer out that the Paris	and the second second
3. AQUINO, Henry J.C.				√
4. ITO, Ken	 			
5. JOHANSON, Aaron Ling				e o esta espeto il Procorni della
6. LoPRESTI, Matthew S.				
7. MIZUNO, John M.			Will State Add To the A	1
	COLAS MASS, Inc.			
8. SAY, Calvin K.Y.			mana marana manana mana mana mana mana m	
9. TOKIOKA, James Kunane				
10. YAMANE, Ryan I.				<u> </u>
11. McDERMOTT, Bob	Sakkan amatita an animank aka 72 kunta mata 1112 kinaka da atau aka a am	Secretary and the secretary an	Lage See on some in sometimes and assessed a some as a so-	V
TOTAL (11)	7	0	0	4
The recommendation is: Adopted If joint referral, did not support recommendation. Committee acronym(s) Committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				