

Honolulu, Hawaii

MAR 21 , 2018

RE: S.B. No. 2748  
S.D. 2  
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 S.B. No. 2748, S.D. 2, 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 law by:

- (1) Replacing the terms "gross revenue" and "gross receipts" with "total revenue" and "total receipts," respectively, to conform with federal Internal Revenue Service Form 990;
- (2) Clarifying that professional solicitors must file financial reports for charitable solicitation campaigns after the completion of the campaign or event and, for any campaign lasting more than one year, after the anniversary of the campaign's commencement;
- (3) Clarifying that commercial co-ventures must provide a charitable organization with an accounting and the benefit of a charitable sales promotion after the completion of the campaign or event and, for any



campaign or event lasting more than one year, after the anniversary of the commencement of the promotion;

- (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;
- (5) Protecting audit reports from all charitable organizations, not just charities, from public disclosure; and
- (6) Making educational institutions licensed by the Hawaii Council of Private Schools eligible for exemption from the registration and financial disclosure requirements.

The Department of the Attorney General, Association of Fundraising Professionals - Aloha Chapter, Hawai'i Association of Independent Schools, Hawaii Council of Private Schools, and Hawai'i Alliance of Nonprofit Organizations testified in support of this measure.

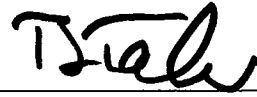
Your Committee has amended this measure by:

- (1) Clarifying the timeframe within which professional solicitors must file financial reports and commercial co-ventures must provide an accounting and benefit to avoid any misinterpretation that the timeframes may be discretionary; and
- (2) Changing its effective date to July 1, 2050, to promote further discussion.

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 S.B. No. 2748, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2748, S.D. 2, 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 **HSR 1251-18**  
The Twenty-ninth Legislature

**Record of Votes of the Committee on Consumer Protection & Commerce**

Bill/Resolution No.: <b>SB 2748, SD2</b>	Committee Referral: <b>CPC, JUD, FIN</b>	Date: <b>3/14/18</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> 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)	/			
2. ICHIYAMA, Linda (VC)	/			
3. AQUINO, Henry J.C.	/			
4. ITO, Ken	/			
5. JOHANSON, Aaron Ling	/			
6. LoPRESTI, Matthew S.	/			
7. MIZUNO, John M.	/			
8. SAY, Calvin K.Y.	/			
9. TOKIOKA, James Kunane	/			
10. YAMANE, Ryan I.	/			
11. McDERMOTT, Bob				✓
<b>TOTAL (11)</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>1</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: <i>Linda Chiyama</i>				
Distribution: Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				