

Honolulu, Hawaii

FEB 15 2017

RE: S.B. No. 894  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred S.B. No. 894 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to update the  
regulation of charitable organizations and activities in the State  
by:

- (1) Specifying disclosure requirements for collection boxes;
- (2) Adding a definition of "property", as the term relates  
to the protection of charitable assets;
- (3) Clarifying registration and deactivation procedures for  
charitable organizations;
- (4) Clarifying requirements for the financial reports that  
must be filed by professional solicitors;
- (5) Permitting charitable organizations that file an IRS  
Form 990-PF to file annual reports on the same schedule  
as charitable organizations that file IRS Form 990 or  
990-EZ; and
- (6) Making housekeeping amendments.



Your Committee received testimony in support of this measure from the Department of the Attorney General, Hawai'i Alliance of Nonprofit Organizations, and one individual.

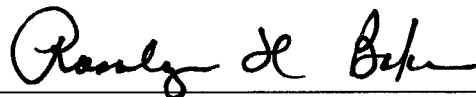
Your Committee finds that this measure makes several amendments to the State's law governing charitable organizations and activities, including: requiring disclosure statements on collection boxes, which will alert and inform the public about whether a nonprofit or a for-profit entity owns the collection box; permitting the use of electronic signatures by professional solicitors; specifying procedures for deactivations of registration; and clarifying requirements for the filing of financial and annual reports. This measure also assists the Department of the Attorney General in its oversight of charitable organizations and fundraising activities, clarifies regulatory procedures for the nonprofit sector, and ensures consumers are able to make informed choices when donating personal property.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2017; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 894, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 894, S.D. 1, and be referred to your Committee on Judiciary and Labor.

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



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ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce, Consumer Protection, and Health**  
**CPH**

Bill / Resolution No.:* <b>SB894</b>	Committee Referral: <b>CPH, JDL</b>	Date: <b>2/7/17</b>		
<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
BAKER, Rosalyn H. (C)	/			
NISHIHARA, Clarence K. (VC)	/			
CHANG, Stanley	/			
ESPERO, Will	/			
IHARA, Jr., Les				/
KIDANI, Michelle N.				/
RUDERMAN, Russell E.	/			
<b>TOTAL</b>	<b>5</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Clarence K Nishihara</i>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes