

Honolulu, Hawaii

MAR 21 2019

RE: H.B. No. 945
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred H.B. No. 945, H.D. 1, 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 clarify Hawaii's
charitable solicitation laws by:

- (1) Replacing the term "gross revenue" with "total revenue";
- (2) Defining the term "total revenue" for purposes of
calculating the annual filing fee;
- (3) Clarifying when professional solicitors must file
financial reports;
- (4) Clarifying when commercial co-venturers must provide a
charitable organization with an accounting and the date
by which a benefit must be conferred;
- (5) Clarifying that charitable organizations are required to
submit financial audits only when otherwise required to
do so by other external entities; and
- (6) Making other housekeeping amendments.



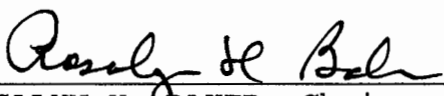
Your Committee received testimony in support of this measure from the Department of the Attorney General, University of Hawai'i Foundation, and Hawai'i Alliance of Nonprofit Organizations.

Your Committee finds that this measure clarifies terms for consistency with Internal Revenue Service forms, provides oversight of charitable organizations and fundraising activities, clarifies regulatory procedures for the non-profit sector, and provides additional resources to the public. Your Committee additionally finds that professional audits can be very expensive, especially for organizations that just meet the current requirement for having contributions in excess of \$500,000 in a year. This measure removes this burdensome requirement, unless the charity is already required to have an audit due to an externally imposed requirement.

Your Committee has amended this measure by changing its effective date to upon approval.

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 H.B. No. 945, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 945, H.D. 1, S.D. 1, and be referred to your Committee on Judiciary.

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



ROSALYN H. BAKER, Chair

