

Honolulu, Hawaii

APR 05 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 Judiciary, to which was referred H.B. No. 945, H.D. 1, S.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 clarity of application of various federal laws and regulatory procedures for charitable organizations is of utmost importance in assisting those organizations in carrying out their charitable missions. As such, 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 disclosures to the public. This measure also repeals the requirement that certain charitable organizations submit an audit report with their annual financial reports, unless the organization is required to produce an audit report by other government authority or third party.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 945, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:* HB945, HD1, SD1	Committee Referral: CPH, JDC	Date: 3/28/19		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	✓			
WAKAI, Glenn (VC)				✓
GABBARD, Mike	✓			
KIM, Donna Mercado	✓			
FEVELLA, Kurt				✓
TOTAL	3	—	—	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes