



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-SECOND LEGISLATURE, 2024**

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 2983, RELATING TO SOLICITATION OF FUNDS FROM THE PUBLIC.

**BEFORE THE:**

SENATE COMMITTEES ON PUBLIC SAFETY AND INTERGOVERNMENTAL AND  
MILITARY AFFAIRS AND ON COMMERCE AND CONSUMER PROTECTION

**DATE:** Wednesday, January 31, 2024      **TIME:** 9:40 a.m.

**LOCATION:** State Capitol, Room 229 and Videoconference

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or  
Kristie Cruz Chang, Deputy Attorney General

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Chairs Wakai and Keohokalole and Members of the Committees:

The Department of the Attorney General (Department) supports the intent of this bill and provides the following comments.

This bill proposes to (1) regulate charitable fundraising platforms and activities of platform charities during declared federal disasters, (2) regulate the misuse of funds, (3) impose vicarious liability upon a platform charity for a charitable fundraising platform's misuse of funds, and (4) exempt national disaster charitable organizations from its provisions.

As the Maui Wildfires showed us, we need to improve and expand enforcement of charitable fundraising activities, including regulating charitable fundraising on internet platforms, regardless if a federal disaster is declared. The language of this bill appears to be largely taken from California Assembly Bill 488, which was signed into law on October 7, 2021, and which came into effect on January 1, 2023. The California terminology and framework of this bill requires substantial revisions to synthesize it with current Hawaii law. Some examples of the lack of synergy between this bill and existing Hawaii law include, but are not limited to:

- (1) "Trustee for charitable purpose" – introduces a new classification related to charitable organization that may be unnecessary and currently is not defined within the current statutory framework;

- (2) Monthly reporting requirements during the emergency period should be aligned with section 467B-12, Hawaii Revised Statute (HRS) - Filing Requirements for Professional Fundraising Counsel and Professional Solicitors; and
- (3) Removing written consent requirements for tier 1, tier 2, or tier 3 activities is specifically prohibited under HRS §467B-9(a).

Additionally, this bill may also impact chapter 414D, HRS, the Hawaii Nonprofit Corporations Act, and possibly other areas of the law, including, but not limited to laws governing corporations and consumer protection, and criminal laws.

Because this is a new area of enforcement for the Department, we need additional time to thoroughly research the issue, discuss concerns with stakeholders, develop appropriate responses or processes, and determine appropriate penalties. We are also willing to work with the Legislature to develop a comprehensive law to regulate charitable fundraising on internet platforms.

Thank you for the opportunity to provide testimony.

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



KENNETH S. HARA  
DIRECTOR OF EMERGENCY  
MANAGEMENT

JAMES DS. BARROS  
ADMINISTRATOR OF  
EMERGENCY MANAGEMENT

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAI'I  
**DEPARTMENT OF DEFENSE**  
**KA 'OIHANA PILI KAUA**  
HAWAI'I EMERGENCY MANAGEMENT AGENCY  
4204 DIAMOND HEAD ROAD  
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STATE OF HAWAI'I  
DEPARTMENT OF DEFENSE  
HAWAI'I EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON SENATE BILL 2983,  
RELATING TO EMERGENCY MANAGEMENT

BEFORE THE SENATE COMMITTEE ON  
**PUBLIC SAFETY AND INTERGOVERNMENTAL AND MILITARY AFFAIRS**

BY

JAMES DS. BARROS  
ADMINISTRATOR  
HAWAI'I EMERGENCY MANAGEMENT AGENCY

JANUARY 31, 2024

Aloha Chair Wakai, Vice-Chair Elefante, and Members of the Committee:

Thank you for the opportunity to submit testimony to **SUPPORT** SB2983.

The August 2023 Wildfires on Maui presented local, state, and federal officials with numerous challenges that ranged from helping victims find housing, food, and other necessities of life to handling the massive influx of donations from around the world. It also brought out the best of intentions in people who reached out with offers of financial and in-kind gifts intended to help alleviate suffering. Managing those donations presented its own series of challenges to assure the generosity went to where it was intended, and that fraud was identified and limited.

The Hawai'i Emergency Management Agency (HI-EMA) is pleased to **SUPPORT** SB 2983 as a good faith measure to identify charitable fundraising platforms and assure that the organizations are in good standing with the State. The bill outlines how fundraising organizations must report to the state using available resources, including publications from the IRS and the department of taxation records, to assure that the charity is legitimate.

During an emergency period and before a person can complete a donation, the charitable organization must fulfill all reporting requirements outlined in SB 2983 to create transparent disclosures of its intended use of funds collected. This prevents any likelihood of deception, confusion, or misunderstanding.

Additionally, a charitable fundraising organization that solicits, permits, or otherwise enables solicitations during an emergency period shall obtain the written consent of a recipient charitable organization before using its name in any solicitations.

Donating to a charitable organization should be transparent and offer assurances to those offering help that their valuable resources are going to the purpose it was intended for.

HI-EMA strongly supports all efforts to assure with confidence the expressions of kindness are fulfilled.

Thank you for the opportunity to provide testimony on Senate Bill 2983.

James Barros: [james.barros@hawaii.gov](mailto:james.barros@hawaii.gov); 808-733-4300



**Testimony to the Senate Committees on  
Public Safety and Intergovernmental and Military Affairs and on  
Commerce and Consumer Protection  
Senators Glenn Wakai and Jarrett Keohokalole, Chairs  
Senators Brandon Elefante and Carol Fukunaga, Vice Chairs  
Wednesday, January 31, 2024 at 9:40 a.m.  
Conference Room 229 & Videoconference  
SB 2983 Relating to Solicitation of Funds from the Public**

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Dear Chairs Wakai and Keohokalole, Vice Chairs Elefante and Fukunaga, and members of the PSM and CPN Committees:

On behalf of the Hawai`i Alliance of Nonprofit Organizations, I would like to offer our comments on **SB 2983** which amends Chapter 467B, HRS, to regulate charitable fundraising platforms and activities of platform charities during declared federal disasters.

Hawai`i Alliance of Nonprofit Organizations (HANO) is a statewide, sector-wide professional association of nonprofits. Our mission is to unite and strengthen the nonprofit sector as a collective force to improve the quality of life in Hawai`i. Our member organizations provide essential services to every community in the state.

HANO supports efforts to bring greater accountability and transparency to the solicitation and use of funds for charitable causes and to root out fraudulent actors. While there is some overlap with the existing requirements in Chapter 467B, HRS, this bill appears to impose more stringent disclosure and reporting requirements. HANO is unsure as to whether these additional tools will improve enforcement.

Thank you for the opportunity to submit this testimony.

Mahalo,

Lisa Maruyama  
President and CEO

**SB-2983**

Submitted on: 1/30/2024 8:43:07 AM

Testimony for PSM on 1/31/2024 9:40:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Yvonne Alvarado	Individual	Support	Written Testimony Only

Comments:

I, Yvonne L Alvarado is in support of Bill 2983