



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:

H.B. NO. 992, RELATING TO SOLICITATION OF FUNDS FROM THE PUBLIC.

BEFORE THE:

HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

DATE: Wednesday, February 12, 2025 **TIME:** 2:00 p.m.

LOCATION: State Capitol, Room 325

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

Chair Tarnas and Members of the Committee:

The Department of the Attorney General (Department) strongly supports this administration bill.

The purpose of this bill is to clarify and update Hawaii's law related to solicitation of funds from the public by revising registration, reporting, fees, and other regulatory requirements for charitable fundraising platforms and platform charities created by Act 205, Session Laws of Hawaii (SLH) 2024 (Act 205).

Chapter 467B, Hawaii Revised Statutes (HRS), requires the Department to regulate charitable organizations, professional solicitors, professional fundraising counsels, and their activities in the state. Enacted in response to concerns over potentially fraudulent online fundraising platforms following the August 2023 Lahaina wildfires, Act 205 requires the Department to regulate the activities of two new entities: charitable fundraising platforms and platform charities, beginning on January 1, 2026. This bill seeks to avoid duplicative registration, reporting, and fee requirements and create separate registration, reporting, and fee requirements specific to charitable fundraising platforms and platform charities.

The updates to sections 467B-1, 467B-1.5, 467B-2.3, 467B-2.5, 467B-12, and 467B-12.5, HRS, in this bill would clarify the definitions for charitable fundraising platforms and platform charities, and provide clear registration, reporting, and fee

applicability for entities that meet more than one definition under the chapter. Additionally, this bill revises chapter 467B's prohibited acts, enforcement powers, and remedies provisions to include the charitable fundraising platforms and platform charities as entities subject to the Department's enforcement oversight.

The Department believes the public and nonprofit entities subject to chapter 467B, HRS, would benefit from the clarification of regulatory requirements that this bill provides. This bill provides the Department with the statutory clarity and capability to effectively regulate charitable fundraising platforms and platform charities, allowing greater protection for the donor community while eliminating duplicative registration, reporting, and fee requirements for the affected entities.

The Department respectfully asks the Committee to pass this bill. Thank you for your consideration of this request and opportunity to proffer our testimony in strong support.



Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

Thank you for the opportunity to testify on HB992 to amend provisions of Act 205.

Last year, the state enacted Act 205, for which many provisions mirror a similar California law AB488 regulating online charitable fundraising platforms. However, based on our experience in California, the law was overly burdensome and ended up inhibiting some legitimate and worthwhile fundraising efforts. Hawaii has an opportunity to make changes to Act 205 before some of these same effects ripple throughout the local nonprofit community because the effective date of Act 205 is currently slated for January 1, 2026.

GoFundMe shares the legislature's goal of **protecting the philanthropic space from misuse while reducing unnecessary burdens on nonprofits and fundraising platforms and maintaining essential consumer protections.**

We recognize and appreciate elements of HB992, including **eliminating the ten-day waiting period and bonding requirement.** However, based on GoFundMe's nearly 15 years of experience in this sector, we believe HB992 does not go far enough in eliminating other obstacles that could unintentionally restrict charitable giving in Hawaii. **We note that an additional bill, HB1254, has been filed, which includes additional proposed remedies,** including creating departmental discretion in implementation and a later effective date to allow effective implementation and stakeholder engagement.

Since 2010, GoFundMe has become a [trusted leader in online fundraising](#) and charitable giving, helping to raise and safely distribute more than \$30 billion dollars to individuals and nonprofits worldwide. Our platform has proven to be a critical tool in times of crisis, empowering people to give when and where it matters most. In response to the devastating Lahaina wildfires in August 2023, over \$65 million was raised on GoFundMe from individuals across the world, demonstrating the power of swift, direct, and community-driven aid.

We enable fundraising for individuals and charitable organizations at scale, and we have best-in-class trust and safety protections in place in the rare occasions when something goes wrong, including:

- Our industry-leading [GoFundMe Giving Guarantee](#) that protects donors and guarantees donors a full refund;
- Innovative technology to screen fundraisers and apply holds on the withdrawal of funds; and
- [Trust & Safety](#) experts who work around the clock to proactively verify fundraisers and investigate reports of misuse.

Despite its good intentions, Act 205, as enacted, poses significant risks to charitable fundraising in Hawaii. If left unchanged, it will slow down donations, impose administrative burdens on charities and platforms, and reduce support for Hawaii residents—especially in times of crisis.

We are supportive of provisions of HB992 which remove the ten-day waiting period and bonding requirement for platforms, as there is alignment there with HB1254. But there are significant concerns that remain, which we hope will be considered and addressed.



We are grateful to the Office of the Attorney General for allowing us the opportunity to convey our concerns directly and we look forward to continued collaboration in pursuit of our shared goals of protecting nonprofits and the communities that they serve throughout Hawaii. We will meet with them again after this hearing.

Today, we will **1) share our reaction to HB992**, and reflect on its alignment with HB1254; **2) put forth recommendations for the Committee's consideration**; and **3) note additional concerns not addressed by HB992**.

REACTION TO HB992

- **Registration and Ten-Day Waiting Period:** Act 205 requires platforms and charities to register with the Department 10 days before they begin their fundraising efforts. This requirement would have cost Hawaii residents and the nonprofits serving Hawaii millions of dollars in lost donations in the wake of the Lahaina wildfires. During a crisis or emergency, every minute matters - that is when people are most focused on the crisis and inclined to give generously.
We support HB992's proposal to eliminate the 10-day waiting period for platforms and charities, and to allow pre-registration of platforms through Terms of Service and compliance filings. This is also reflected in HB1254.
- **Bonding Requirement:** Bonding requirements, such as that included in Act 205, create an administrative burden that would disproportionately impact smaller charities or platforms and may impact critical fundraising efforts during times of crisis.
We are supportive of HB992's move to eliminate this requirement for charities and charitable fundraising platforms. This is also reflected in HB1254.
- **Good Standing Requirements:** Under Act 205, platforms must verify a charity's standing with the IRS, Hawaii Department of Taxation, and AG's office—a process that has caused confusion and disruption in California as charities were deemed non-compliant for minor administrative errors, such as late IRS Form 990 submissions. However, California does not have an effective mechanism for notifying charities that they've been deemed non-compliant. This inability to effectively communicate "good standing" status with charities causes substantial disruption and confusion and raises significant due process concerns for charities whose reputations may be irreparably harmed by this process. Additionally, platforms have had to block donations to otherwise compliant charities simply because the state took months to process corrections and update its lists, leaving charities unable to fundraise for months at a time. This disproportionately affects small nonprofits and erodes donor trust.
We believe the treatment of this issue in HB992 requires clarification. In order to avoid these types of delays and challenges for nonprofits, we support the approach outlined in HB1254 to ensure notification and due process, a grace period, and tiered enforcement.



RECOMMENDATIONS:

- **Departmental Discretion:** Given the technical nature of this space, and the ever evolving technology and protections involved, we believe it would be beneficial to give the Department of the Attorney General authority to waive specific requirements if it deems the operations of a platform to meet the goals of this bill of transparency, monitoring, and accountability, as outlined in HB1254.
- **Timeline:** In order to provide sufficient time for effective implementation and stakeholder engagement, we recommend a later effective date of July 1, 2026.

ADDITIONAL AREAS OF CONCERN:

There are several remaining issues presented by Act 205 that are not addressed in HB992, which we believe create unnecessary barriers to fundraising, including **reporting requirements, donor info retention, written consent, and vicarious liability**. We support the proposed approaches within HB1254 to remedy these challenges.

Hawaii has an opportunity to strike a balance between strong consumer protection and fostering a thriving, transparent charitable giving environment. HB992 offers a number of helpful remedies, but does not address all of the areas of concern in Act 205 based upon our experience. **We believe there is an opportunity to provide the necessary fixes to preserve trust in online fundraising while ensuring Hawaii residents continue to receive vital charitable support — especially in times of disaster.**

We appreciate the Committee's thoughtful approach to this issue and look forward to working together to ensure Hawaii's charitable sector remains strong, transparent, and effective.

Thank you for your time and consideration.