JOSH GREEN, M.D. GOVERNOR KE KIA'ĀINA



GOV. MSG. NO. 1208

#### EXECUTIVE CHAMBERS KE KE'ENA O KE KIA'ĂINA

May 29, 2025

The Honorable Ronald D. Kouchi President of the Senate, and Members of the Senate Thirty-Third State Legislature State Capitol, Room 409 Honolulu, Hawai'i 96813 The Honorable Nadine Nakamura Speaker, and Members of the House of Representatives Thirty-Third State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on May 29, 2025, the following bill was signed into law:

S.B. NO. 1048, S.D. 2, H.D. 2, C.D. 1 RELATING TO SOLICITATION OF FUNDS FROM THE PUBLIC. ACT 108

Mahalo,

Yreen M.D.

Jósh Green, M.D. Governor, State of Hawaiʻi

Approved by the Governor

on

MAY 2 9 2025

THE SENATE THIRTY-THIRD LEGISLATURE, 2025 STATE OF HAWAII

### ACT 108 S.B. NO. <sup>1048</sup> S.D. 2 H.D. 2 C.D. 1

### A BILL FOR AN ACT

RELATING TO SOLICITATION OF FUNDS FROM THE PUBLIC.

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that Act 205, Session
 Laws of Hawaii 2024 (Act 205), was intended to regulate
 charitable fundraising platforms to ensure proper and
 transparent fundraising activities in the State.

5 The legislature further finds that Act 205's well-intended 6 language creates undue burdens on charitable fundraising 7 platforms and, more importantly, potentially hampers and 8 inhibits the ability of charitable organizations to respond to 9 community needs and fundraise, especially in times of emergency.

10 The legislature additionally finds that it would be prudent 11 to amend Act 205 before its scheduled effective date of 12 January 1, 2026, in a manner that would still achieve the 13 important purposes of public protection, donor security, and 14 transparency, but not overburden charitable fundraising 15 platforms, charitable organizations, and the department of the 16 attorney general, which oversees these activities.

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1	Acco	ordingly, the purpose of this Act is to amend the
2	language	in Act 205 to clarify existing standards and safeguards
3	in online	e crowdfunding.
4	SEC	FION 2. Chapter 467B, Hawaii Revised Statutes, is
5	amended b	by adding a new section to be appropriately designated
6	and to re	ead as follows:
7	" <u>\$4</u> 6	<b>57B- Platform charities.</b> (a) Every platform charity
8	not exemp	oted by section 467B-11.5 shall register with the
9	departmer	nt as a platform charity before conducting activities
10	regulated	by this chapter in accordance with section 467B-2.1.
11	<u>A platfor</u>	m charity shall be subject to the annual financial
12	report an	nd annual filing fee requirements of section 467B-6.5.
13	Each repo	ort shall:
14	(1)	Enable the department to ascertain whether charitable
15		funds have been properly solicited, received, held,
16		controlled, or distributed;
17	(2)	Provide information on the number of donations made,
18		amount raised, length of time for distributing
19		donations or grants of recommended donations, fees
20		charged by or through a charitable fundraising
21		platform or platform charity, and names of recipient



1	charitable organizations or other charitable
2	organizations that were sent or have not yet been sent
3	donations or grants of recommended donations; and
4	(3) Protect from disclosure any personally identifiable
5	information of donors or other users of the charitable
6	fundraising platform.
7	(b) No platform charity shall facilitate acts of
8	solicitation on a charitable fundraising platform unless the
9	platform charity is in good standing.
10	(c) A platform charity shall only solicit, permit, or
11	otherwise enable solicitations or receive, control, or
12	distribute funds from donations for purported charitable
13	purposes for recipient charitable organizations or other
14	charitable organizations in good standing. To determine good
15	standing of a recipient charitable organization or other
16	charitable organization, a platform charity may rely on
17	information displayed on the department's registry.
18	(d) With respect to purported charitable purposes, a
19	platform charity that performs, permits, or otherwise enables
20	solicitation activities shall, before a person can complete a
21	donation or select or change a recipient charitable



1	<u>organizat</u>	ion, provide conspicuous disclosures that reduce the
2	likelihoo	d of deception, confusion, or misunderstanding,
3	including	<u>:</u>
4	(1)	A statement that donations are made to the charitable
5		fundraising platform, platform charity, recipient
6		charitable organization, or person engaging in peer-
7		to-peer charitable fundraising, whichever is
8		applicable;
9	(2)	A statement that a recipient charitable organization
10		may not receive donations or grants, with an
11		explanation identifying the most pertinent reasons
12		that a recipient charitable organization may not
13		receive the funds; provided that the explanation of
14		the most pertinent reasons that a recipient charitable
15		organization may not receive the funds may be provided
16		through a conspicuous hyperlink, so long as the
17		disclosure is conspicuous when the hyperlink is
18		selected; provided further that this paragraph shall
19		not apply when there are no circumstances under which
20		a recipient charitable organization may not receive
21		the funds;

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1	(3)	The maximum length of time it will take to send the
2		donation or a grant of the recommended donation to a
3		recipient charitable organization with an explanation
4		of the time needed, unless the donation is sent
5		contemporaneously to a recipient charitable
6		organization after the donation is made; provided that
7		the explanation as to the maximum length of time may
8		be provided through a conspicuous hyperlink, so long
9		as the disclosure is conspicuous when the hyperlink is
10		selected;
11	(4)	The fees or any other amounts that will be deducted
12		from or added to the donation or a grant of the
13		recommended donation and that are charged or retained
14		by the charitable fundraising platform, platform
15		charity, or any other partnering vendor, other than
16		any applicable digital payment processing fees; and
17	(5)	A statement as to the tax deductibility of the
18		donation.
19	<u>(e)</u>	Each platform charity that solicits, permits, or
20	otherwise	enables solicitations shall obtain the written consent
21	of a recip	pient charitable organization before using the

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1	recipient charitable organization's name in a solicitation for a
2	purported charitable purpose. Written consent shall be provided
3	directly to the platform charity or may be provided to a
4	platform charity by one authorized officer, director, trustee,
5	or other duly authorized representative of the recipient
6	charitable organization and may apply to multiple affiliated
7	charitable fundraising platforms expressly identified in the
8	agreement providing consent.
9	(f) After a donor contributes donations and with respect
10	to purported charitable purposes, the platform charity shall
11	promptly provide a tax donation receipt to the donor in a manner
12	provided by section 170(f)(8) of the Internal Revenue Code of
13	1986, as amended.
14	(g) The platform charity shall not divert or otherwise
15	misuse any donations made for purported charitable purposes that
16	the platform charity receives through solicitation on the
17	charitable fundraising platform and shall hold the donations in
18	a separate account or accounts from other funds belonging to the
19	platform charity. The platform charity shall promptly ensure
20	that donations and grants of recommended donations are sent to
21	the recipient charitable organizations with an accounting of any



1	fees assessed for processing the funds, and in accordance with
2	any rules adopted by the department pursuant to chapter 91.
3	(h) If a platform charity enters into any contract with a
4	vendor to solicit, receive, control, process, distribute, and
5	otherwise account for donations on the charitable fundraising
6	platform, the contract shall be available for inspection by the
7	department.
8	(i) As used in this section, "good standing" means that a
9	platform charity, recipient charitable organization, or other
10	charitable organization is not prohibited by the department from
11	soliciting or operating in the State."
12	SECTION 3. Section 467B-1, Hawaii Revised Statutes, is
13	amended as follows:
14	1. By amending the definition of "commercial co-venturer"
15	to read:
16	""Commercial co-venturer" means a person who, for profit,
17	is regularly and primarily engaged in trade or commerce other
18	than in connection with soliciting for charitable organizations
19	or charitable purposes, and who conducts charitable sales
20	promotions. A person who meets the definitions of "commercial
21	co-venturer" and "charitable fundraising platform" shall be

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1	considered a commercial co-venturer when the acts of
2	solicitation through an internet website, service, or other
3	platform to persons in this State are for six or fewer recipient
4	charitable organizations per calendar year, and the commercial
5	co-venturer complies with section 467B-5.5."
6	2. By amending the definition of "owner" to read:
7	""Owner" means any person who has a direct or indirect
8	interest in any professional fundraising counsel[ $_{ au}$ ] or
9	professional solicitor[ <del>, charitable fundraising platform, or</del>
10	platform charity]."
11	3. By amending the definition of "platform charity" to
12	read:
13	""Platform charity" means a charitable organization that
14	facilitates acts of solicitation on a charitable fundraising
15	platform, which includes either of the following and any similar
16	activity:
17	(1) [Solicits] Soliciting donations through a charitable
18	fundraising platform for itself from donors who use
<b>19</b> <sup>-</sup>	the charitable fundraising platform with the implied
20	or express representation that the platform charity

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1	may grant donations to recipient charitable
2	organizations; or
3	(2) [Grants] Granting funds to recipient charitable
4	organizations based on purchases made or other
5	activity performed by persons who use a charitable
6	fundraising platform.
7	"Platform charity" does not include a sponsoring organization of
8	donor advised funds that solicits donors to open donor advised
9	fund accounts or similar accounts, receives recommendations from
10	donors on charitable organizations that may receive grants of
11	funds previously contributed to the sponsoring organization for
12	a donor's donor advised fund account, and the sponsoring
13	organization does not list or reference by name one or more
14	recipient charitable organizations for solicitation purposes on
15	its platform for persons who do not have advisory privileges
16	with respect to the granting of funds in a donor advised fund of
17	the sponsoring organization. <u>A person who meets the definitions</u>
18	of "platform charity" and "charitable fundraising platform"
19	shall be deemed a charitable fundraising platform."
20	SECTION 4. Section 467B-1.5, Hawaii Revised Statutes, is
21	amended to read as follows:

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"§46	7B-1.5 Professional solicitors $[7]$ and charitable
fundraisi	.ng platforms[ <del>, platform charities</del> ]; required
disclosur	es. (a) Every professional solicitor, charitable
fundraisi	ng platform, [ <del>platform charity,</del> ] and every employee or
agent the	reof, who solicits contributions from a prospective
donor or	contributor in this State shall at the outset of any
oral or w	ritten request for a contribution:
(1)	Identify themselves by their true surname and first
	name, and the name of their employer or the contractor
	as the case may be, that is compensating the
	individual making the solicitation;
(2)	Identify the name of the professional solicitor[ $_{ au}$ ] or
	charitable fundraising platform[, or platform charity]
	registered with the department that has contracted
	with the charitable organization to provide the
	solicitation services and, if the individual is
	employed by a subcontractor, the name of the
	registered subcontractor;
(3)	Disclose that the person making the oral or written
	request for a donation is being paid to make [ <del>such</del> ]
	the solicitation and the name of the charitable
	fundraisi disclosur fundraisi agent the donor or oral or w (1)



1		organization on whose behalf the person making the
2		request is soliciting; and
3	(4)	Disclose, orally and in writing, the fact that a copy
4		of the professional solicitor's[ $ au$ ] or charitable
5		fundraising platform's[ <del>, or platform charity's</del> ]
6		registration data and financial reports are available
7		from the department.
8	(b)	A professional solicitor[ <del>, charitable fundraising</del>
9	<del>platform,</del>	or platform charity] who makes an oral solicitation by
10	telephone	, door-to-door, or otherwise, [ <del>prior to</del> ] <u>before</u>
11	collecting	g or attempting to collect any contribution, shall
12	provide a	written confirmation of the expected contribution and
13	clearly d	isclose that the contribution is not tax-deductible, if
14	applicable	e, or, if the professional solicitor[ <del>, charitable</del>
15	<del>fundraisi</del>	ng platform, or platform charity] maintains that the
16	contribut	ion is tax-deductible in whole or in part, the portion
17	of the cor	ntribution that the professional solicitor[ <del>, charitable</del>
18	fundraisin	ng platform, or platform charity] maintains is
19	tax-deduct	tible. The written confirmation shall also
20	conspicuou	asly disclose the name and current address of the

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1 registered professional solicitor[, charitable fundraising 2 platform, or platform charity]." SECTION 5. Section 467B-2.3, Hawaii Revised Statutes, is 3 4 amended to read as follows: 5 "[+]§467B-2.3[+] Charitable fundraising platforms[+ 6 **platform charities**]. (a) [Each charitable fundraising platform 7 shall be subject to the department's supervision for activities 8 regulated by this section.] Before soliciting, permitting, or 9 otherwise enabling any solicitations for purported charitable 10 purposes, a charitable fundraising platform shall register with 11 the department on a form or in a manner as provided by the 12 department. [Registrations under this section shall be subject 13 to an annual report and an annual renewal fee imposed by the 14 department. Fee revenues from this section shall be deposited 15 into the solicitation of funds for charitable purposes special 16 fund. 17 (b) A platform charity shall be subject to the department's supervision. The platform charity shall register 18 19 with the department as a platform charity before conducting 20 activities regulated by this section.



1	(c)Each-charitable fundraising platform and platform
2	charity shall file periodic reports with the department on a
3	form provided by the department. Reports shall be filed
4	pursuant to section 467B-12.] The registration statement shall
5	contain the information set forth in subsection (b). The
6	registration under this section shall be accompanied by a fee in
7	the amount of \$250, or in the amount and with any additional
8	sums as may be prescribed by the attorney general. Renewal
9	registration statements shall be filed with the department on or
10	before July 1 of each calendar year by each charitable
11	fundraising platform. The renewal statement shall contain the
12	information set forth in subsection (b). A renewal fee of \$250,
13	or in any amount and with any additional sums as may be
14	prescribed by the attorney general, shall accompany the renewal
15	statement. If a renewal registration required under this
16	subsection is not filed, unless it is shown that the failure is
17	due to reasonable cause, a fine of \$20 shall be imposed for each
18	day during which the violation continues; provided that the
19	total amount imposed under this subsection shall not exceed
20	\$1,000.



1	<u>(b)</u>	Each registration and renewal registration report
2	shall:	
3	(1)	Enable the department to ascertain whether charitable
4		funds have been properly solicited, received, held,
5		controlled, or distributed;
6	(2)	Provide information on the number of donations made,
7		amount raised, length of time for distributing
8		donations or grants of recommended donations, fees
9		charged by or through a charitable fundraising
10		platform or platform charity, and names of recipient
11		charitable organizations or other charitable
12		organizations that were sent or have not yet been sent
13		donations or grants of recommended donations; and
14	(3)	Protect from disclosure any personally identifiable
15		information of donors or other users of the charitable
16		fundraising platform.
17	[ <del>-(d)-</del>	No platform charity shall-facilitate acts of
18	<del>solicitat</del> :	ion on a charitable fundraising platform unless the
19	platform (	charity-is-in-good-standing.
20	<del>(e)</del> ]	(c) A charitable fundraising platform [or-platform
21	<pre>charity] :</pre>	shall only solicit, permit, or otherwise enable

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1 solicitations, or receive, control, or distribute funds from 2 donations for purported charitable purposes for recipient 3 charitable organizations or other charitable organizations in 4 good standing. To determine good standing of a recipient 5 charitable organization or other charitable organization, a 6 charitable fundraising platform [or platform charity] may rely 7 on [electronic lists periodically published by the Internal 8 Revenue Service, department of taxation, or department.] the 9 department's registry.

10 [(f)] (d) With respect to purported charitable purposes, a 11 charitable fundraising platform [or platform charity] that 12 performs, permits, or otherwise enables solicitation activities 13 shall, before a person can complete a donation or select or 14 change a recipient charitable organization, provide conspicuous 15 disclosures that reduce the likelihood of deception, confusion, 16 or misunderstanding, including:

17 (1) A statement that donations are made to the charitable
18 fundraising platform, platform charity, recipient
19 charitable organization, or person engaging in peer20 to-peer charitable fundraising, whichever is

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applicable;

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1	(2)	A statement that a recipient charitable organization
2		may not receive donations or grants [ <del>or recommended</del>
3		donations], with an explanation identifying the most
4		pertinent reasons [ <del>under which</del> ] <u>that</u> a recipient
5		charitable organization may not receive the funds;
6		provided that the explanation [ <del>as to the maximum</del>
7		length of time] of the most pertinent reasons that a
8		recipient charitable organization may not receive the
9		funds may be provided through a conspicuous hyperlink,
10		so long as the disclosure is conspicuous when the
11		hyperlink is selected; provided further that this
12		paragraph shall not apply when there are no
13		circumstances under which a recipient charitable
14		organization may not receive the funds;
15	(3)	The maximum length of time it will take to send the
16		donation or a grant of the recommended donation to a
17		recipient charitable organization with an explanation
18		of the time needed, unless the donation is sent
19		contemporaneously to a recipient charitable
20		organization after the donation is made; provided that
21		the explanation as to the maximum length of time may

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1 .		be provided through a conspicuous hyperlink, so long
2		as the disclosure is conspicuous when the hyperlink is
3		selected;
4	(4)	The fees or any other amounts that will be deducted
5		from or added to the donation or a grant of the
6		recommended donation and that are charged or retained
7		by the charitable fundraising platform, [ <del>platform</del>
8		charity,] or any other partnering vendor, other than
9		any applicable digital payment processing fees; and
10	(5)	A statement as to the tax deductibility of the
11		donation.
12	[ <del>-(g)</del> ]	<u>(e)</u> Each charitable fundraising platform [ <del>or</del>

platform charity] that solicits, permits, or otherwise enables 13 14 solicitations shall obtain the written consent of a recipient 15 charitable organization before using the recipient charitable 16 organization's name in a solicitation for a purported charitable 17 purpose. Written consent shall be provided directly to the 18 charitable fundraising platform [or platform charity], or may be 19 provided to a charitable fundraising platform [or platform 20 charity] by one authorized officer, director, trustee, or other 21 duly authorized representative of the recipient charitable

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organization and may apply to multiple affiliated charitable
 fundraising platforms expressly identified in the agreement
 providing consent.

4  $\left[\frac{1}{2}\right]$  (f) After a donor contributes donations and with 5 respect to purported charitable purposes, the charitable 6 fundraising platform [or platform charity] shall promptly 7 provide a tax donation receipt to the donor in a [format 8 determined by the department.] manner provided by section 9 170(f)(8) of the Internal Revenue Code of 1986, as amended. 10 [(i)] (g) The charitable fundraising platform [or platform 11 charity] shall not divert or otherwise misuse any donations made

for purported charitable purposes that the charitable

13 fundraising platform [or platform charity] receives through 14 solicitation on the charitable fundraising platform, and shall 15 hold the donations in a separate account or accounts from other 16 funds belonging to the charitable fundraising platform [or 17 platform charity]. The charitable fundraising platform [or 18 platform-charity] shall promptly ensure that donations and 19 grants of recommended donations are sent to the recipient 20 charitable organizations with an accounting of any fees assessed 21 for processing the funds, and in accordance with any rules

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1	adopted by the department pursuant to chapter 91. A platform
2	charity shall be [ <del>vicariously</del> ] liable for [ <del>a charitable</del>
3	fundraising platform's] its misuse of funds[, and vice versa].
4	A charitable fundraising platform shall maintain and operate a
5	process for complaints about any fundraising activity regulated
6	by this chapter and shall investigate and make findings on
7	complaints, and, at the request of the department, shall report
8	its findings to the department along with its actions for
9	resolution, including any full refunds of contributions.
10	[ <del>(j)</del> ] <u>(h)</u> If a charitable fundraising platform [ <del>or</del>
11	platform charity] enters into any contract with a vendor to
12	solicit, receive, control, process, distribute, and otherwise
13	account for donations on the charitable fundraising platform,
14	the contract shall be available for inspection by the
15	department.
16	(i) The attorney general may require that registration and
17	renewal registration and contracts be filed with the department
18	electronically and may require the use of electronic signatures.
19	[ <del>(k)</del> ] <u>(j)</u> As used in this section, "good standing" means
20	that a platform charity, recipient charitable organization, or
21	other charitable [ <del>organization's tax-exempt status has not been</del>

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1 revoked by the Internal Revenue Service or] organization is not 2 prohibited from soliciting or operating in the [state] State by 3 the department." SECTION 6. Section 467B-2.5, Hawaii Revised Statutes, is 4 5 amended to read as follows: 6 "§467B-2.5 Professional solicitor[, charitable 7 fundraising platform, and platform charity] financial 8 **reports**; contribution account. (a) A professional solicitor [ $\tau$ 9 charitable fundraising platform, or platform charity] shall file 10 with the attorney general a financial report for any charitable 11 solicitation campaign, including gross revenue from Hawaii 12 donors and national gross revenue and an itemization of all 13 expenses incurred on a form prescribed by the attorney 14 general no more than ninety days after the end of the solicitation campaign and, for solicitation campaigns 15 16 lasting more than one year, within ninety days after each anniversary of the commencement of the solicitation 17 campaign and within ninety days after the end of the 18 19 solicitation campaign.

20 (b) The attorney general may require the financial21 report required by subsection (a) to be submitted

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electronically and may require the use of electronic 1 2 signatures. This report shall be signed by the professional 3 solicitor, [charitable fundraising platform, platform charity,] 4 or [by] an authorized officer or agent of the professional 5 solicitor[, charitable fundraising platform, or platform 6 charity] who shall certify that the statements therein are true 7 and correct to the best of the solicitor's, officer's, or 8 agent's knowledge subject to penalties imposed by section 710-9 1063. If a financial report required under this section is not 10 filed in a timely manner, taking into account any extension of 11 time for filing, unless it is shown that the failure is due to 12 reasonable cause, an initial late filing fee of \$100 shall be 13 imposed, and an additional late filing fee of \$20 per day shall 14 be imposed, for each day during which the violation continues; 15 provided that the total fee amount imposed under this subsection 16 shall not exceed \$1,000. The attorney general may waive all or 17 part of the late filing fee imposed by this subsection if there is a reasonable cause for the failure to timely file. 18 The professional solicitor [, charitable fundraising platform, 19 or platform charity] shall provide a copy of the financial 20 report to the charitable organization to which the financial 21

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report pertains within ten days of its submission of the
 report to the attorney general.

3 (c) A professional solicitor[, charitable fundraising
4 platform, or platform charity] shall maintain during each
5 solicitation campaign and for not less than three years
6 after the completion of that campaign the following records,
7 which shall be available for inspection upon demand by the
8 attorney general:

9 The date and amount of each contribution received (1)10 and the name and address of each contributor; 11 (2) The name and residence of each employee, agent, or 12 other person involved in the solicitation; Records of all revenue received and expenses 13 (3)incurred in the course of the solicitation 14 15 campaign; and 16 (4) The location and account number of each bank or 17 other financial institution account in which the 18 professional solicitor[, charitable fundraising 19 platform, or platform charity] has deposited

20 revenue from the solicitation campaign.

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(d) Any material change in any information filed with the
 attorney general pursuant to this section shall be reported in
 writing by the professional solicitor[, charitable fundraising
 platform, or platform charity] to the attorney general not more
 than seven days after the change occurs.

6 Each contribution in the control or custody of the (e) 7 professional solicitor [, charitable fundraising platform, or 8 platform charity] in its entirety and within five days of its 9 receipt, shall be deposited in an account at a bank or other 10 federally insured financial institution, which shall be in the 11 name of the charitable organization. The charitable organization shall maintain and administer the account and shall 12 13 have sole control of all withdrawals."

SECTION 7. Section 467B-9, Hawaii Revised Statutes, isamended by amending subsection (d) to read as follows:

16 "(d) No professional solicitor, charitable fundraising 17 platform, or platform charity, and no agent, employee, 18 independent contractor, or other person acting on behalf of the 19 professional solicitor, charitable fundraising platform, or 20 platform charity, shall solicit in the name of or on behalf of 21 any charitable organization unless[+] the charitable fundraising

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1 request to persons solicited or police officers or 2 agents of the department." 3 SECTION 8. Section 467B-12, Hawaii Revised Statutes, is 4 amended to read as follows: 5 "\$467B-12 Filing requirements for professional fundraising 6 counsel[ $_7$ ] and professional solicitors[ $_7$  charitable fundraising 7 platforms, and platform charities]. (a) Every professional 8 fundraising counsel[7] or professional solicitor, [charitable 9 fundraising platform, or platform charity, prior to] before any 10 solicitation, shall register with the department. The 11 registration statement shall contain the information set forth 12 in subsection (e). The registration statement shall be 13 accompanied by a fee in the amount of \$250, or in the amount and 14 with any additional sums as may be prescribed by the attorney 15 general. Renewal registration statements shall be filed with 16 the department on or before July 1 of each calendar year by each 17 professional fundraising counsel  $[\tau]$  or professional solicitor  $[\tau]$ 18 charitable fundraising platform, or platform charity]. The 19 renewal statement shall contain the information set forth in 20 subsection (e). A renewal fee of \$250, or in any amount and 21 with any additional sums as may be prescribed by the attorney

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1 general, shall accompany the renewal statement. If a renewal 2 registration required under this section is not filed, unless it 3 is shown that the failure is due to reasonable cause, a fine of 4 \$20 shall be imposed for each day during which the violation 5 continues; provided that the total amount imposed under this 6 subsection shall not exceed \$1,000.

7 Each professional solicitor, [charitable fundraising (b) 8 platform, or platform charity, ] at the time of each filing, shall file with and have approved by the attorney general a bond 9 10 in which the applicant is the principal obligor in the penal sum 11 of \$25,000 issued with good and sufficient surety or sureties 12 approved by the attorney general and which shall remain in effect for one year. The bond shall inure to the benefit of the 13 14 State, conditioned that the applicant, its officers, directors, 15 employees, agents, servants, and independent contractors shall 16 not violate this chapter. A partnership or corporation that is 17 a professional solicitor[, charitable fundraising platform, or 18 platform charity] may file a consolidated bond on behalf of all 19 its members, officers, and employees.

20 (c) The attorney general shall examine each registration21 statement and supporting document filed by a professional

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1 fundraising counsel[ $\tau$ ] or professional solicitor[ $\tau$ -charitable 2 fundraising platform, or platform charity] and shall determine 3 whether the registration requirements are satisfied. If the 4 attorney general determines that the registration requirements 5 are not satisfied, the attorney general shall notify the 6 professional fundraising counsel  $[\tau]$  or professional solicitor  $[\tau]$ 7 charitable fundraising platform, or platform charity] in writing within fifteen business days of its receipt of the registration 8 9 statement; otherwise the registration statement [is] shall be 10 deemed to be approved. Within seven business days after receipt 11 of a notification that the registration requirements are not 12 satisfied, the professional fundraising counsel  $[\tau]$  or 13 professional solicitor [, charitable fundraising platform, or 14 platform charity] may request a hearing.

15 (d) The attorney general may require that registration and 16 renewal registration, surety bonds, and contracts be filed with 17 the department electronically and may require the use of 18 electronic signatures.

19 (e) Each registration and renewal registration shall20 contain:



1	(1)	The names and addresses of all owners, officers, and
2		directors of a professional fundraising counsel [ <del>or</del>
3		charitable fundraising platform], and the names and
4		addresses of all owners, officers, and directors of a
5		professional solicitor [ <del>or-platform charity</del> ];
6	(2)	A statement concerning the corporate form of the
7		registrant, whether corporation, limited liability
8		corporation, partnership, or individual;
9	(3)	A statement whether the registrant has an office in
10		Hawaii and the name and phone number of the person in
11		charge of the office;
12	(4)	The names and addresses of any individuals supervising
13		any solicitation activity;
14	(5)	A statement whether the [+]registrant[+] has entered
15		into a consent agreement with, or been disciplined by
16		or subject to administrative action by, another
17		governmental agency;
18	(6)	A statement whether any officer, director, or any
19		person with a controlling interest in the registrant
20		has ever been convicted of a felony or a misdemeanor

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1		invo	olving dishonesty in the solicitation for a
2		char	citable purpose;
3	(7)	The	date that the registrant began soliciting Hawaii
4		resi	dents on behalf of a charitable organization or
5		prov	iding professional fundraising counsel services;
6		and	
7	(8)	Whet	her any owners, directors, or officers are related
8		to:	
9		(A)	Any other officers, directors, owners, or
10			employees of the registrant;
11		(B)	Any officer, director, trustee, or employee of a
12			charitable organization under contract with the
13			registrant; and
14		(C)	Any vendor or supplier providing goods or
15			services to a charitable organization under
16			contract with the registrant."
17	SECTI	ION 9	. Section 467B-12.5, Hawaii Revised Statutes, is
18	amended by	, ame	nding subsections (a), (b), and (c) to read as
19	follows:		
20	"(a)	The	re shall be a written contract between a
21	charitable	e org	anization and a professional fundraising

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S.B. NO. 5.D. 2

1 counsel[7] or professional solicitor[7 charitable fundraising 2 platform, or platform charity] that shall be filed by the 3 professional fundraising counsel  $[\tau]$  or professional solicitor  $[\tau]$ 4 charitable fundraising-platform, or platform charity] with the 5 attorney general at least ten business days [prior to] before 6 the performance by the professional fundraising counsel  $[\tau]$  or 7 professional solicitor [, charitable fundraising platform, or 8 platform charity] of any service. No solicitation or service 9 pursuant to the contract shall begin before the contract is 10 filed with the attorney general. The contract shall be signed 11 by two authorized officials of the charitable organization, one 12 of whom shall be a member of the organization's governing body, 13 and the authorized contracting officer for the professional 14 fundraising counsel[7] or professional solicitor[7 charitable 15 fundraising platform, or platform charity]. The contract shall 16 contain all of the following provisions:

17 (1) The legal name and address of the charitable18 organization;

19 (2) A statement of the charitable purpose for which the20 solicitation campaign is being conducted;

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S.B. NO. <sup>1048</sup> S.D. 2 H.D. 2 C.D. 1

1	(3)	A statement of the respective obligations of the
2		professional fundraising counsel[ $ au$ ] or professional
3		solicitor[ <del>, charitable fundraising platform, or</del>
4		platform charity] and the charitable organization;
5	(4)	A statement of the guaranteed minimum percentage of
6		the gross receipts from contributions that will be
7		remitted to or retained by the charitable
8		organization, if any, or, if the solicitation involves
9		the sale of goods, services, or tickets to a
10		fundraising event, the percentage of the purchase
11		price that will be remitted to the charitable
12		organization, if any. The stated percentage shall
13		exclude any amount that the charitable organization is
14		to pay as fundraising costs;
15	(5)	Information concerning the compensation of the
16		professional solicitor and professional fundraising
17		counsel as follows:
18		(A) If the compensation of the professional
19		fundraising counsel[ $ au$ ] or professional
20		solicitor[ <del>, charitable_fundraising-platform, or</del>
21		<del>platform charity</del> ] is contingent upon the number

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#### S.B. NO. <sup>1048</sup> S.D. 2 H.D. 2 C.D. 1

	of contributions or the amount of revenue
	received, a statement shall be included
	specifying the percentage of the gross revenue
	that is the basis for that compensation. The
	stated percentage shall include any amount that
	the professional fundraising counsel[ $ au$ ] or
	professional solicitor[ <del>, charitable fundraising</del>
	platform, or platform charity] is to be
	reimbursed for fundraising costs;
(B)	If the compensation of the professional
	solicitor[ <del>, charitable fundraising platform, or</del>
	<del>platform charity</del> ] is not contingent upon the
	number of contributions or amount of revenue
	received from the solicitation campaign, the
	compensation shall be expressed as a reasonable
	estimate of the percentage of the gross revenue,
	and the contract shall clearly disclose the
	assumptions upon which the estimate is based.
	The stated assumptions shall be based upon all of
	the relevant facts known to the professional
	(B)

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1		solicitor regarding the solicitation to be
2		conducted by the professional solicitor; or
3		(C) If the compensation of the professional
4		fundraising counsel[ <del>, charitable fundraising</del>
5		platform, or platform charity] is not contingent
6		on the number of contributions or amount of
7		revenue received from the solicitation campaign,
8		the compensation shall be stated in a dollar
9		amount;
10	(6)	The effective and termination dates of the contract
11		or, if the contract does not have a set termination
12		date, a clause allowing either party a reasonable
13		period to terminate the contract or notify the other
14		party if either party chooses not to renew. The
15		contract shall also contain the date services will
16		commence with respect to solicitation in this State of
17		contributions for a charitable organization;
18	(7)	In the case of a professional fundraising counsel,
19		[charitable-fundraising platform, or platform
20		charity,] a statement that the professional

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#### S.B. NO. <sup>1048</sup> S.D. 2 H.D. 2 C.D. 1

1		fundraising counsel will not at any time have custody
2		or control of contributions, as applicable;
3	(8)	A statement that the charitable organization exercises
4		control and approval over the content and volume of
5		any solicitation; and
6	(9)	Any other information required by the rules of the
7		attorney general.
8	(b)	No professional fundraising counsel[ $\tau$ ] or professional
9	solicitor	[,-charitable fundraising platform, or platform
10	<pre>charity]</pre>	shall contract with a charitable organization unless
11	the profe	ssional fundraising counsel[ $\tau$ ] or professional
12	solicitor	[ <del>, charitable fundraising platform, or platform</del>
13	<pre>charity]</pre>	is registered with the department. A contract with an
14	unregiste	red professional fundraising counsel[ $ au$ ] or professional
15	solicitor	[, charitable-fundraising-platform, or-platform
16	<pre>eharity]</pre>	shall be voidable at the option of the charitable
17	organizat	ion.
18	(c)	Whenever a charitable organization contracts with a
19	professio	nal fundraising counsel[ $_{ au}$ ] or professional solicitor[ $_{ au}$
20	<del>charitabl</del>	e fundraising platform, or platform charity,] the
21	charitabl	e organization shall have the right to cancel the

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1	contract without cost, penalty, or liability, for a period of
2	ten days following the date on which that contract is executed.
3	Any provision in the contract that is intended to waive this
4	right of cancellation shall be void and unenforceable."
5	SECTION 10. Act 205, Session Laws of Hawaii 2024, is
6	amended by amending section 16 to read as follows:
7	"SECTION 16. This Act shall take effect on [January]
8	<u>July</u> 1, 2026."
9	SECTION 11. This Act does not affect rights and duties
10	that matured, penalties that were incurred, and proceedings that
11	were begun before its effective date.
12	SECTION 12. Statutory material to be repealed is bracketed
13	and stricken. New statutory material is underscored.
14	SECTION 13. This Act shall take effect on July 1, 2026;
15	provided that section 10 shall take effect on July 1, 2025.

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APPROVED this 29th day of May , 2025

Inh,

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GOVERNOR OF THE STATE OF HAWAI'I

S.B. No. 1048, S.D. 2, H.D. 2, C.D. 1

### THE SENATE OF THE STATE OF HAWAI'I

Date: April 30, 2025 Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate

of the Thirty-Third Legislature of the State of Hawai'i, Regular Session of 2025.

President of the Senate

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Clerk of the Senate

SB No. 1048, SD 2, HD 2, CD 1

#### THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 30, 2025 Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the

House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session

of 2025.

Madai K. Mahan

Nadine K. Nakamura Speaker House of Representatives

thil. The

Brian L. Takeshita Chief Clerk House of Representatives