STAND. COM. REP. NO. 437-08

Honolulu, Hawaii

FCH14, 2008

RE: H.B. No. 2308 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and Judiciary, to which was referred H.B. No. 2308 entitled:

"A BILL FOR AN ACT RELATING TO CHARITABLE ORGANIZATIONS,"

beg leave to report as follows:

The purpose of this bill is to enhance consumer awareness in charitable giving by requiring charitable organizations that intend to solicit funds to register with and submit annual financial statements to the Department of the Attorney General (AG).

The Office of Hawaiian Affairs testified in support of this bill. The Hawaii Alliance of Nonprofit Organizations opposed this measure.

Registration and financial reporting requirements for charitable organizations were repealed by Act 120, Session Laws of Hawaii 1996. Your Committees find that the reenactment of such requirements will help consumers obtain information about a charity before making donations and provide useful information to law enforcement in their oversight of these organizations.

Your Committees have amended this bill by replacing its entire contents with similar provisions that, among other things:

- (1) Require charitable organizations, with certain exemptions, to register and file annual financial reports with the AG;
- (2) Require audited financial statements for charities with over \$500,000 in gross revenue for the year covered by the annual financial report;
- (3) Establish registration fees based upon the charitable organization's income;
- (4) Require professional solicitors to report national and local gross revenues in financial reports to the AG;
- (5) Prohibit charities from using the services of an unregistered professional solicitor or professional fundraising counsel;
- (6) Authorizes the AG to issue subpoenas to investigate suspected violations and seek injunctions to restrain violations; and
- (7) Repeal the bonding requirement for professional fundraising counsel.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2308, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2308, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committees on Consumer Protection & Commerce and Judiciary,

TOMMY WATERS, Chair

ROBERT N. HERKES, Chair

HB2308 HD1 HSCR CPC-JUD HMS 2008-1971





State of Hawaii House of Representatives The Twenty-fourth Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

HB 2308	CPC/JUD, FIN	Date	- 1 - 1 - 1/				
☐ The committee is reconsidering its previous	ous decision on the measure.						
The recommendation is to: □ Pass, unamended (as is) □ Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)							
CPC Members	Ayes	Ayes (WR)	Nays	Excused			
1. HERKES, Robert N. (C)	X Section						
2. McKELVEY, Angus L.K. (VC)	į v						
3. EVANS, Cindy				10 July 1997			
4. GREEN, Josh, M.D.	<u>}</u>		-	•			
5. ITO, Ken				×			
6. LUKE, Sylvia	7						
7. MORITA, Hermina M.		and the sign of the sign of		No.			
8. SONSON, Alex M.				٧			
9. SOUKI, Joseph M.	V		7 (19 (19 (19 (19 (19 (19 (19 (19 (19 (19				
10. TSUJI, Clift	<u> </u>						
11. YAMANE, Ryan I.	- ''Α'						
12. YAMASHITA, Kyle T.	7						
13. MARUMOTO, Barbara C.		7		- M			
14. THIELEN, Cynthia	þ						
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TOTAL (14)				7			
101AL (14)	10	\					
The recommendation is: Adopted If joint referral, committee acronym(s) Adopted did not support recommendation.							
Vice Chair's or designee's signature:	AM						
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office							

State of Hawaii House of Representatives The Twenty-fourth Legislature



Record of Votes of the Committee on Judiciary

Bill/Resolution No.:	Committee Referral: CPC/JUD, FIN	Date		.0	
НВ 2308					
☐ The committee is reconsidering its previo	ous decision on the measure.				
	namended (as is) Pa nort form bill with HD to reco	ss, with amendments	` '		
JUD Members	Ayes	Ayes (WR)	Nays	Excused	
1. WATERS, Tommy (C)			100		
2. OSHIRO, Blake K. (VC)	/				
3. EVANS, Cindy					
4. GREEN, Josh, M.D.					
5. ITO, Ken			1000	<u> </u>	
6. LUKE, Sylvia					
7. McKELVEY, Angus L.K.					
8. MORITA, Hermina M.	/				
9. SONSON, Alex M.	an a				
10. SOUKI, Joseph M.			J		
11. TSUJI, Clift			General Myseum Property		
12. YAMANE, Ryan I.					
13. YAMASHITA, Kyle T.				La Caracita de Car	
14. MARUMOTO, Barbara C.					
15. PINE, Kymberly Marcos					
16. THIELEN, Cynthia					
TOTAL (16)	12			3	
The recommendation is: Adop If joint re	•	did not supp	ort recommendation	on.	
Vice Chair's or designee's signature:	By Kan				
Distribution: Original (White) – Com	mittee Duplicate (Yel	low) – Chief Clerk's	Office		