STAND. COM. REP. NO. 395

Honolulu, Hawaii Feb (7, 2011

RE: H.B. No. 1006 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and Judiciary, to which was referred H.B. No. 1006 entitled:

"A BILL FOR AN ACT RELATING TO THE SOLICITATION OF FUNDS FROM THE PUBLIC,"

beg leave to report as follows:

The purpose of this bill is to amend Hawaii's charitable solicitation law by, among other things:

- Establishing the Department of the Attorney General (AG) as the default agent for service of process in investigations and other proceedings, when the organization does not have a registered agent with the Department of Commerce and Consumer Affairs (DCCA);
- (2) Allowing the AG to issue a cease and desist order to any charitable organization found to be soliciting contributions in violation of the law;
- (3) Clarifying requirements for the filing of annual financial reports and fiscal records and fees; and
- (4) Exempting certain charitable educational institutions from the registration and financial disclosure requirements.



STAND. COM. REP. NO. 395 Page 2

DCCA, Hawaii Association of Independent Schools, and The Nature Conservancy of Hawaii testified in support of this bill. The AG supported this measure with amendments.

Your Committees have amended this bill by:

- Clarifying that charitable organization financial reports are based on the total amount of gross revenues, rather than income and receipts;
- (2) Decreasing the amounts of filing fees, based on gross revenues, as follows:
 - (A) \$300 to \$250, for gross revenues between \$1,000,000 and less than \$2,000,000;
 - (B) \$500 to \$350, for gross revenues between \$2,000,000 and less than \$5,000,000; and
 - (C) \$750 to \$600, for gross revenues \$5,000,000 or more;
- (3) Adding the National Association for the Education of Young Children to the list of organizations that license or accredit educational institutions that are exempt from the registration and financial disclosure requirements; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 1006, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1006, H.D. 1, and be referred to the Committee on Finance.



STAND. COM. REP. NO. 395 Page 3

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

GILBERT KEITH AN . nair

ROBERT N. HERKES, Chair



State of Hawaii House of Representatives The Twenty-sixth Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 1006 Committee Referral: UV/JUD, FIN Date: 2/7/2011							
The committee is reconsidering its previous 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)							
2. YAMANE, Ryan I. (VC)							
3. BROWER, Tom		:					
4. CABANILLA, Rida T.R.							
5. CARROLL, Mele							
6. ITO, Ken							
7. KEITH-AGARAN, Gilbert S.C.							
8. LUKE, Sylvia	/						
9. McKELVEY, Angus L.K.							
10. MORITA, Hermina M.							
11. OSHIRO, Blake K.							
12. SOUKI, Joseph M.							
13. TSUJI, Clift							
14. CHING, Corinne W.L.							
15. MARUMOTO, Barbara C.							
16. THIELEN, Cynthia							
TOTAL (16)	//			5			
The recommendation is: Adopted D Not Adopted							
If joint referral, did not support recommendation.							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO							

State of Hawaii House of Representatives The Twenty-sixth Legislature



Record of Votes of the Committee on Judiciary

Bill/Resolution No.: 1491006 CPC/JUD,FTN Date: 217///							
The committee is reconsidering its previous 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)							
JUD Members	Ayes	Ayes (WR)	Nays	Excused			
1. KEITH-AGARAN, Gilbert S.C. (C)							
2. RHOADS, Karl (VC)							
3. BROWER, Tom							
4. CABANILLA, Rida T.R.							
5. CARROLL, Mele							
6. HERKES, Robert N.							
7. ITO, Ken							
8. LUKE, Sylvia				MG			
9. McKELVEY, Angus L.K.				/			
10. MORITA, Hermina M.				/			
11. OSHIRO, Blake K.							
12. SOUKI, Joseph M.							
13. TSUJI, Clift							
14. FONTAINE, George R.							
15. MARUMOTO, Barbara C.							
16. THIELEN, Cynthia							
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TOTAL (16)	11	0	0	5			
The recommendation is: Adopted D Not Adopted							
If joint referral, did not support recommendation.							
committee acronym(s)							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO							