STAND. COM. REP. NO. 1128

Honolulu, Hawaii March 24, 2011

RE: S.B. No. 1233 S.D. 2 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 S.B. No. 1233, S.D. 2, 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:

- (1) 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.



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The Hawaii Association of Independent Schools, The Nature Conservancy of Hawaii, the Hawaii Alliance of Nonprofit Organizations, and several individuals supported this measure. The AG and the Council for Advancement and Support of Education supported the bill, suggesting amendments. A concerned individual provided comments.

Your Committees have amended this bill by:

- Reinserting amounts of filing fees for charitable organizations with gross revenues of \$1,000,000 or more;
- (2) Exempting from the registration and financial disclosure requirements, such organizations as educational institution foundations or alumni associations, which are the primary organizations soliciting funds for certain educational institutions; and
- (3) Changing the effective date to upon approval.

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 S.B. No. 1233, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1233, S.D. 2, 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,

Chair

ROBERT N. HERKES, Chair

State of Hawaii

House of Representatives The Twenty-sixth Legislature **Hsce** 1128

Record of Votes of the Committee on Consumer Protection & Commerce

| Bill/Resolution No.: 58 1233 6D2 Committee | e Referral: CPC/JUD, | FIN Date: | 3/14 | 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. | <u> </u> | | | | | | |
| 5. CARROLL, Mele | | | | | | | |
| 6. ITO, Ken | <u> </u> | | | | | | |
| 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. | \backslash | | | | | | |
| 16. THIELEN, Cynthia | | | | | | | |
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| TOTAL (167 (15) | 12 | | | 3 | | | |
| 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 **HSce** 1128

Record of Votes of the Committee on Judiciary

| Bill/Resolution No.: SB1233, SD2 Committee | ee Referral: | PC/100 PEN Date | 3/16/1 | |
|---|-------------------------------|------------------------|-------------------|--------------|
| The committee is reconsidering its previous decision | n on the measure. | | | · · · · |
| The recommendation is to: D Pass, unamended D Pass short form bit | · · · · | ss, with amendments | | |
| 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 | | r | | |
| 6. HERKES, Robert N. | | | | |
| 7. ITO, Ken | | | | <u></u> |
| 8. LUKE, Sylvia | | - | | |
| 9. McKELVEY, Angus L.K. | - | | | |
| 10. MORITA, Hermina M. | | | | |
| 11. OSHIRO, Blake K. | | | | |
| 12. SOUKI, Joseph M. | | | | |
| 13. TSUJI, Clift | | _ | | |
| 14. FONTAINE, George R. | | | , <u></u> , | · |
| 15. MARUMOTO, Barbara C. | | | | |
| 16. THIELEN, Cynthia | | | | |
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| TOTAL (16)- 15 | 12 | Ø | 0 | 3 |
| The recommendation is: Adopted If joint referral, | Not Adopt committee acronym | did not suppo | rt recommendation | ı. |
| Vice Chair's or designee's signature: | l Abro | h | | |
| Distribution: Original (White) – Committee Du | plicate (Yellow) - | - Chief Clerk's Office | Duplicate (I | Pink) – HMSO |