STAND. COM. REP. NO. 1505

Honolulu, Hawaii

April 8 , 2011

RE: S.B. No. 1233

S.D. 2.

H.D. 2

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 1233, S.D. 2, H.D. 1, entitled:

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

begs 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 certain organizations or persons do 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 filing annual financial reports and fiscal records and fees of charitable organizations; and
- (4) Exempting certain charitable educational institutions, including educational institution foundations or alumni

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associations, from the registration and financial disclosure requirements.

The AG, Hawaii Association of Independent Schools, The Nature Conservancy of Hawaii, Nonprofit Federation of the Direct Marketing Association, Council for Advancement and Support of Education, and several concerned individuals testified in support of this bill. The Hawaii Alliance of Nonprofit Organizations and a concerned individual offered comments.

Your Committee has amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1233, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1233, S.D. 2, H.D. 2.

Respectfully submitted on behalf of the members of the Committee on Finance,

MARCUS R. OSHIRO, Chair

State of Hawaii House of Representatives The Twenty-sixth Legislature

Record of Votes of the Committee on Finance

Bill/Resolution No.:	Committee Referral:	Date:	/	/
SB 1233, SD2, HD1	CPC/JUD, FINI		<u> 3/3</u>	0///
☐ 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)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	V			
2. LEE, Marilyn B. (VC)	1/		·	
3. CHONG, Pono				
4. CHOY, Isaac W.	V			
5. COFFMAN, Denny				
6. CULLEN, Ty				
7. HAR, Sharon E.				
8. HASHEM, Mark J.				
9. ICHIYAMA, Linda				
10. JORDAN, Jo				
11. LEE, Chris	V			
12. MORIKAWA, Dee	V			
13. TOKIOKA, James Kunane			<u>'.</u>	·
14. YAMASHITA, Kyle T.				
15. MARUMOTO, Barbara C.				
16. RIVIERE, Gil	<u> </u>			
17. WARD, Gene				
	-			
	1.5			
7			_	
				
TOTAL (17)	17	0	0	
The recommendation is: Adopted				
If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: Maif 3. Lee				
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