

Honolulu, Hawaii

FEB 11 2011

RE: S.B. No. 1233
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection and
Judiciary and Labor, to which was referred S.B. No. 1233 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to amend current
law governing charitable solicitation to enhance the enforcement
authority of the Department of the Attorney General.

Your Committees received testimony in support of this measure
from the Office of Consumer Protection of the Department of
Commerce and Consumer Affairs, the Department of the Attorney
General, the Hawaii Association of Independent Schools, the Hawai'i
Alliance of Nonprofit Organizations, and the Better Business
Bureau of Hawaii. Your Committees received comments on this
measure from two private individuals.

Your Committees find that Hawaii is a national leader in
providing consumer protection in charitable donations. This
State's charitable solicitation laws create transparency for
donors and beneficiaries of charitable organizations by requiring
registration of organizations and fundraising professionals and
providing for a public accounting of an organization's receipts
and expenditures. Your Committees find that the amendments
contained in this measure will strengthen the consumer protections
contained in the current law by granting the Department of the



Attorney General the authority to more effectively enforce the requirements of the law.

Your Committees note that the majority of registered charitable organizations that solicit money within the State are located outside of the State; additionally, personal service of process may be difficult or impossible for some Hawaii-domiciled entities. The provisions in this measure allowing the Department of the Attorney General to accept service of process on behalf of out-of-state registrants and to provide for alternate service mechanisms will allow the Attorney General to more effectively regulate these entities.

Additionally, your Committees find that the remaining provisions in this measure clarify areas of the existing law that have been ambiguous and may have allowed entities to circumvent compliance with the spirit of the regulatory structure embodied in chapter 467B, Hawaii Revised Statutes.

Finally, your Committees are pleased to find that the Department of the Attorney General has been efficient enough in its operations that filing fees collected from charitable organizations have outpaced expenditures involved in managing the regulatory structure created by chapter 467B. Therefore, your Committees find that it is appropriate to reduce the filing fees paid by regulated entities.

Your Committees have amended this measure by:

- (1) Clarifying that educational institutions accredited by the National Association for the Education of Young Children are included in the educational institutions that are exempt from registration and financial disclosure requirements;
- (2) Reducing filing fees paid by regulated entities by specifying that fees shall be based on gross revenues and reducing the amount of fees paid by certain entities; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

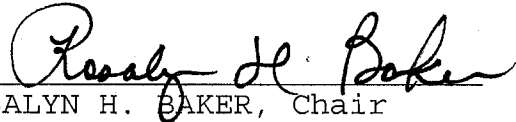
As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary and



Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1233, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1233, S.D. 1, and be referred to the Committee on Ways and Means.

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



CLAYTON HEE, Chair

ROSALYN H. BAKER, Chair

The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 1233</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">CPN/JDL, WPM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2/8/2011</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
GALUTERIA, Brickwood				✓
GREEN, M.D., Josh	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama	✓			
SLOM, Sam	✓			
TOTAL	6	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-left: 50px;">[Signature]</div>				
Distribution: <div style="display: flex; justify-content: space-around; font-size: 0.8em;"> Original File with Committee Report Yellow Clerk's Office Pink Drafting Agency Goldenrod Committee File Copy </div>				

*Only one measure per Record of Votes

The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 1233</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">CPN / JDL, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2/8/11</div>												
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____														
The Recommendation is: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>														
Members	Aye	Aye (WR)	Nay	Excused										
HEE, Clayton (C)	✓													
SHIMABUKURO, Maile (VC)	✓													
GABBARD, Mike				✓										
IHARA, Jr., Les	✓													
SLOM, Sam	✓													
TOTAL	4	0	0	1										
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>														
Chair's or Designee's Signature:														
<table style="width: 100%; font-size: 0.8em;"> <tr> <td style="width: 25%;">Distribution:</td> <td style="width: 25%;">Original</td> <td style="width: 25%;">Yellow</td> <td style="width: 25%;">Pink</td> <td style="width: 25%;">Goldenrod</td> </tr> <tr> <td></td> <td>File with Committee Report</td> <td>Clerk's Office</td> <td>Drafting Agency</td> <td>Committee File Copy</td> </tr> </table>					Distribution:	Original	Yellow	Pink	Goldenrod		File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy
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