STAND. COM. REP. NO.

Honolulu, Hawaii FEB 2 0 2013

RE: S.B. No. 1020 S.D. 1

Honorable Donna Mercado Kim President of the Senate Twenty-Seventh State Legislature Regular Session of 2013 State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1020 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- Extend reporting requirements to commercial coventurers;
- (2) Allow penalties to be imposed on commercial co-venturers who fail to comply with reporting requirements; and
- (3) Clarify the exemption from registration for organizations who receive less than \$25,000 in annual contributions.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that commercial co-venturers are forprofit businesses who conduct cause-related marketing that benefit charitable organizations. Existing reporting requirements, record keeping, and remedial provisions under chapter 467B, Hawaii Revised Statutes, do not presently apply to commercial coventurers. This measure imposes these reporting and recordkeeping requirements on commercial co-venturers and therefore ensures that charitable organizations that benefit from these commercial sales



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promotions have consented to the promotions. This measure also ensures that charitable organizations and the Attorney General have access to information related to a commercial co-venturer marketing event.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "professional solicitor";
- (2) Deleting language that required charitable organizations to use a uniform registration statement developed by the National Association of State Charity Officials;
- (3) Clarifying that audited financial statements submitted by registered charities to the Attorney General are confidential information;
- (4) Clarifying that exemptions from registration for charitable organizations that normally receive less than \$25,000 in annual contributions will be based on the organization's average contributions for the immediately preceding three fiscal years;
- (5) Specifying that a late filing fee of \$20 per day with a cap of \$1,000 will be imposed on professional solicitors and fundraising counsel who fail to timely renew their registrations; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1020, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1020, S.D. 1, and be placed on the calendar for Third Reading.



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Respectfully submitted on behalf of the members of the Committee on Commerce and Consumer Protection,

ROSALYN H. BAKER, Chair Jak

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The Senate Twenty-Seventh Legislature State of Hawai'i

Record of Votes Committee on Commerce and Consumer Protection CPN

Bill / Resolution No.:*	Committee	Referral:	Dat		,
SB 1020		PN		2/13/	13
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)		~			·······
GALUTERIA, Brickwood (VC)		V			
NISHIHARA, Clarence K.		V			
SOLOMON, Malama		V			
TANIGUCHI, Brian T.					
WAKAI, Glenn					
SLOM, Sam					V
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TOTAL		5			2
Recommendation:					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only <u>one</u> measure per Record of Votes