



**Testimony to the Senate Committee on Judiciary & Labor
and Committee on Commerce & Consumer Protection**
Friday, February 6, 2015 at 9:00 a.m. in Conference Room 016
SB1067 - Relating to Charitable Solicitation

Dear Chairs Keith-Agaran and Baker, Vice Chairs Shimabukuro and Taniguchi, and members of the Committees:

On behalf of the Hawai'i Alliance of Nonprofit Organizations, I am testifying in support of SB 1067 and requesting amendments. This bill authorizes the Attorney General to require electronic reporting by professional solicitors, imposes late fees for solicitors, and clarifies exemptions from registration requirements.

Hawai'i Alliance of Nonprofit Organizations (HANO) is a statewide, sector-wide professional association of nonprofits. Our mission is to unite and strengthen the nonprofit sector as a collective force to improve the quality of life in Hawai'i. Our member organizations provide essential services to communities across the state.

HANO supports this measure because it improves and clarifies the charitable solicitation law. HANO also requests the Committees' consideration of amendments on the following topics:

Filing fees: Reduce the annual filing fee from \$10 to \$0 for small organizations (under \$25,000 in annual revenue). This provision was included in last year's SB2250, which ultimately died in conference committee. This change would encourage additional small organizations to file reports (instead of filing for exemptions). With more organizations filing reports, the state will have more data about Hawaii's nonprofit sector.

Audited financial reports: Change the threshold for requiring audited financial reports, in order to reduce the burden on smaller organizations. Audited financial reports prepared by CPAs are extremely costly, and represent a major burden for smaller nonprofits. Furthermore, they may be unnecessary for many smaller nonprofits with relatively uncomplicated financial structures. We support the proposed amendment to require audited financial reports for organizations with contributions (not gross revenues) over \$500,000. This change will relieve many small to medium nonprofits from the burden of this expense. Please note that nonprofits will still be subject to other reporting requirements, including submitting their IRS Form 990 that includes extensive financial and governance disclosures.

Thank you very much for your consideration.

Mahalo,
Nikki Love Kingman
Public Policy Director