STAND. COM. REP. NO. 493

Honolulu, Hawaii

FEB 1 4 2025

RE: S.B. No. 1048 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Third State Legislature Regular Session of 2025 State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1048 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to amend the language in Act 205, Session Laws of Hawaii 2024, to clarify existing standards and safeguards in online crowdfunding.

Your Committee received testimony in support of this measure from GoFundMe.

Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that Act 205, Session Laws of Hawaii 2024 (Act 205), was intended to regulate charitable crowdfunding platforms to ensure proper and transparent fundraising activities in the State. Although the language in Act 205 is well-intended, it imposes undue burdens on charitable fundraising platforms and could potentially inhibit the ability of charitable organizations to respond and fundraise, especially in times of emergency and need.

Your Committee has amended this measure by:

- (1) Specifying that, to determine good standing of a recipient charitable organization or other charitable organization, a charitable fundraising platform may rely on the Department of the Attorney General's online registry rather than electronic lists published by the Internal Revenue Service or Department of Taxation;
- (2) Deleting language that would have allowed the Department of the Attorney General to grant exemptions or waivers from laws relating to solicitation of funds from the public;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) 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. 1048, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1048, S.D. 1, and be referred to your Committee on Judiciary.

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

JARRETT KEOHOKALOLE, Chair

## The Senate Thirty-Third Legislature State of Hawai'i

## Record of Votes Committee on Commerce and Consumer Protection CPN

Bill / Resolution No.:*	Committee			Date:	
SB1048	CPN,	JDC		2/1	0/25
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	R) Nay	Excused
KEOHOKALOLE, Jarrett (C)		V			
FUKUNAGA, Carol (VC)		V			
MCKELVEY, Angus L.K.		V.			
RICHARDS, III, Herbert M. "Tim"					
AWA, Brenton					
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TOTAL		5			
Recommendation:  Adopted  Not Adopted					
Chair's or Designee's Signature:  Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

\*Only one measure per Record of Votes