

Honolulu, Hawaii

FEB 27 2025

RE: S.B. No. 1048
S.D. 2

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

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 1048, S.D. 1, 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 Act 205, Session Laws of Hawaii 2024, to clarify standards and safeguards in online crowdfunding.

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

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

Your Committee finds that although Act 205, Session Laws of 2024 (Act 205), was intended to regulate charitable fundraising platforms to ensure proper and transparent fundraising activities in the State, Act 205 poses significant risks to charitable fundraising in the State by potentially slowing down donations, imposing administrative burdens on charities and platforms, and reducing support for the State's residents in times of crisis. This measure will provide necessary fixes to preserve trust in online fundraising while ensuring the State's residents continue



to receive vital charitable support, especially in times of disaster.

Your Committee notes that this measure requires the Department of the Attorney General to indicate whether a charitable organization is prohibited from soliciting or operating in the State due to "ministerial deficiency". However, this term is not defined in chapter 467B, Hawaii Revised Statutes, making its fair and uniform application challenging, and the purpose unclear. Your Committee also notes that this measure proposes to exempt a copy of the written contract between a platform charity and a charitable organization from being filed with the Attorney General when a platform charity uses a third-party disbursement intermediary to facilitate the transfer of funds. This exemption may undermine the Department of the Attorney General's oversight and enforcement of charitable fundraising activity because the filing requirement for written contracts allows the Department to track charitable fundraising in the State. Therefore, amendments to this measure are necessary.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have required the Department of the Attorney General, upon notifying a charitable organization that it is prohibited from soliciting or operating in the State, to indicate whether the basis for the prohibition is due to a ministerial deficiency;
- (2) Deleting language that would have exempt a copy of the written contract between a platform charity and a charitable organization from being filed with the Attorney General when a platform charity uses a third-party disbursement intermediary to facilitate the transfer of funds; and
- (3) 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1048, S.D. 1, as amended herein, and recommends that it pass



Third Reading in the form attached hereto as S.B. No. 1048,
S.D. 2.

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

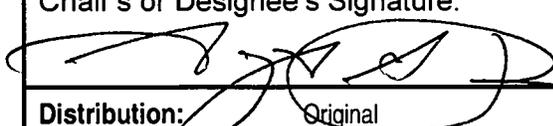


KARL RHOADS, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:* <i>SB 1048, SDI</i>	Committee Referral: <i>CPN, JDC</i>	Date: <i>2/19/25</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	✓			
GABBARD, Mike (VC)				✓
CHANG, Stanley	/			
SAN BUENAVENTURA, Joy A.	/			
AWA, Brenton	/			
TOTAL	<i>4</i>			<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: <input checked="" type="checkbox"/> Original <input type="checkbox"/> Yellow <input type="checkbox"/> Pink <input type="checkbox"/> Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes