
A BILL FOR AN ACT

RELATING TO SOLICITATION OF FUNDS FROM THE PUBLIC.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Act 205, Session
2 Laws of Hawaii 2024 (Act 205), was intended to regulate
3 charitable fundraising platforms to ensure proper and
4 transparent fundraising activities in the State.

5 The legislature further finds that Act 205's well-intended
6 language creates undue burdens on charitable fundraising
7 platforms and, more importantly, potentially hampers and
8 inhibits the ability of charitable organizations to respond to
9 community needs and fundraise, especially in times of emergency.

10 The legislature additionally finds that it would be prudent
11 to amend Act 205 before its scheduled effective date of
12 January 1, 2026, in a manner that would still achieve the
13 important purposes of public protection, donor security, and
14 transparency, but not overburden charitable fundraising
15 platforms, charitable organizations, and the department of the
16 attorney general, which oversees these activities.



1 Accordingly, the purpose of this Act is to amend the
2 language in Act 205 to clarify existing standards and safeguards
3 in online crowdfunding.

4 SECTION 2. Chapter 467B, Hawaii Revised Statutes, is
5 amended by adding a new section to be appropriately designated
6 and to read as follows:

7 "§467B- Platform charities. (a) Every platform charity
8 not exempted by section 467B-11.5 shall register with the
9 department as a platform charity before conducting activities
10 regulated by this chapter in accordance with section 467B-2.1.
11 A platform charity shall be subject to the annual financial
12 report and annual filing fee requirements of section 467B-6.5.
13 Each report shall:

14 (1) Enable the department to ascertain whether charitable
15 funds have been properly solicited, received, held,
16 controlled, or distributed;

17 (2) Provide information on the number of donations made,
18 amount raised, length of time for distributing
19 donations or grants of recommended donations, fees
20 charged by or through a charitable fundraising
21 platform or platform charity, and names of recipient



1 charitable organizations or other charitable
2 organizations that were sent or have not yet been sent
3 donations or grants of recommended donations; and

4 (3) Protect from disclosure any personally identifiable
5 information of donors or other users of the charitable
6 fundraising platform.

7 (b) No platform charity shall facilitate acts of
8 solicitation on a charitable fundraising platform unless the
9 platform charity is in good standing.

10 (c) A platform charity shall only solicit, permit, or
11 otherwise enable solicitations or receive, control, or
12 distribute funds from donations for purported charitable
13 purposes for recipient charitable organizations or other
14 charitable organizations in good standing. To determine good
15 standing of a recipient charitable organization or other
16 charitable organization, a platform charity may rely on
17 information displayed on the department's registry.

18 (d) With respect to purported charitable purposes, a
19 platform charity that performs, permits, or otherwise enables
20 solicitation activities shall, before a person can complete a
21 donation or select or change a recipient charitable



1 organization, provide conspicuous disclosures that reduce the
2 likelihood of deception, confusion, or misunderstanding,
3 including:

4 (1) A statement that donations are made to the charitable
5 fundraising platform, platform charity, recipient
6 charitable organization, or person engaging in peer-
7 to-peer charitable fundraising, whichever is
8 applicable;

9 (2) A statement that a recipient charitable organization
10 may not receive donations or grants, with an
11 explanation identifying the most pertinent reasons
12 that a recipient charitable organization may not
13 receive the funds; provided that the explanation of
14 the most pertinent reasons that a recipient charitable
15 organization may not receive the funds may be provided
16 through a conspicuous hyperlink, so long as the
17 disclosure is conspicuous when the hyperlink is
18 selected; provided further that this paragraph shall
19 not apply when there are no circumstances under which
20 a recipient charitable organization may not receive
21 the funds;



1 (3) The maximum length of time it will take to send the
2 donation or a grant of the recommended donation to a
3 recipient charitable organization with an explanation
4 of the time needed, unless the donation is sent
5 contemporaneously to a recipient charitable
6 organization after the donation is made; provided that
7 the explanation as to the maximum length of time may
8 be provided through a conspicuous hyperlink, so long
9 as the disclosure is conspicuous when the hyperlink is
10 selected;

11 (4) The fees or any other amounts that will be deducted
12 from or added to the donation or a grant of the
13 recommended donation and that are charged or retained
14 by the charitable fundraising platform, platform
15 charity, or any other partnering vendor, other than
16 any applicable digital payment processing fees; and

17 (5) A statement as to the tax deductibility of the
18 donation.

19 (e) Each platform charity that solicits, permits, or
20 otherwise enables solicitations shall obtain the written consent
21 of a recipient charitable organization before using the



recipient charitable organization's name in a solicitation for a
purported charitable purpose. Written consent shall be provided
directly to the platform charity or may be provided to a
platform charity by one authorized officer, director, trustee,
or other duly authorized representative of the recipient
charitable organization and may apply to multiple affiliated
charitable fundraising platforms expressly identified in the
agreement providing consent.

(f) After a donor contributes donations and with respect
to purported charitable purposes, the platform charity shall
promptly provide a tax donation receipt to the donor in a manner
provided by section 170(f)(8) of the Internal Revenue Code of
1986, as amended.

(g) The platform charity shall not divert or otherwise
misuse any donations made for purported charitable purposes that
the platform charity receives through solicitation on the
charitable fundraising platform and shall hold the donations in
a separate account or accounts from other funds belonging to the
platform charity. The platform charity shall promptly ensure
that donations and grants of recommended donations are sent to
the recipient charitable organizations with an accounting of any



fees assessed for processing the funds, and in accordance with any rules adopted by the department pursuant to chapter 91.

(h) If a platform charity enters into any contract with a vendor to solicit, receive, control, process, distribute, and otherwise account for donations on the charitable fundraising platform, the contract shall be available for inspection by the department.

(i) As used in this section, "good standing" means that a platform charity, recipient charitable organization, or other charitable organization is not prohibited by the department from soliciting or operating in the State."

SECTION 3. Section 467B-1, Hawaii Revised Statutes, is amended as follows:

1. By amending the definition of "commercial co-venturer" to read:

"Commercial co-venturer" means a person who, for profit, is regularly and primarily engaged in trade or commerce other than in connection with soliciting for charitable organizations or charitable purposes, and who conducts charitable sales promotions. A person who meets the definitions of "commercial co-venturer" and "charitable fundraising platform" shall be



1 considered a commercial co-venturer when the acts of
2 solicitation through an internet website, service, or other
3 platform to persons in this State are for six or fewer recipient
4 charitable organizations per calendar year, and the commercial
5 co-venturer complies with section 467B-5.5."

6 2. By amending the definition of "owner" to read:

7 ""Owner" means any person who has a direct or indirect
8 interest in any professional fundraising counsel[7] or
9 professional solicitor[, ~~charitable fundraising platform, or~~
10 ~~platform charity~~]."

11 3. By amending the definition of "platform charity" to
12 read:

13 ""Platform charity" means a charitable organization that
14 facilitates acts of solicitation on a charitable fundraising
15 platform, which includes either of the following and any similar
16 activity:

17 (1) [~~Solicits~~] Soliciting donations through a charitable
18 fundraising platform for itself from donors who use
19 the charitable fundraising platform with the implied
20 or express representation that the platform charity



1 may grant donations to recipient charitable
2 organizations; or

3 (2) [~~Grants~~] Granting funds to recipient charitable
4 organizations based on purchases made or other
5 activity performed by persons who use a charitable
6 fundraising platform.

7 "Platform charity" does not include a sponsoring organization of
8 donor advised funds that solicits donors to open donor advised
9 fund accounts or similar accounts, receives recommendations from
10 donors on charitable organizations that may receive grants of
11 funds previously contributed to the sponsoring organization for
12 a donor's donor advised fund account, and the sponsoring
13 organization does not list or reference by name one or more
14 recipient charitable organizations for solicitation purposes on
15 its platform for persons who do not have advisory privileges
16 with respect to the granting of funds in a donor advised fund of
17 the sponsoring organization. A person who meets the definitions
18 of "platform charity" and "charitable fundraising platform"
19 shall be deemed a charitable fundraising platform."

20 SECTION 4. Section 467B-1.5, Hawaii Revised Statutes, is
21 amended to read as follows:



1 "§467B-1.5 Professional solicitors[~~7~~] and charitable
2 fundraising platforms[~~7, platform charities~~]; required
3 disclosures. (a) Every professional solicitor, charitable
4 fundraising platform, [~~platform charity~~], and every employee or
5 agent thereof, who solicits contributions from a prospective
6 donor or contributor in this State shall at the outset of any
7 oral or written request for a contribution:

8 (1) Identify themselves by their true surname and first
9 name, and the name of their employer or the contractor
10 as the case may be, that is compensating the
11 individual making the solicitation;

12 (2) Identify the name of the professional solicitor[~~7~~] or
13 charitable fundraising platform[~~7, or platform charity~~]
14 registered with the department that has contracted
15 with the charitable organization to provide the
16 solicitation services and, if the individual is
17 employed by a subcontractor, the name of the
18 registered subcontractor;

19 (3) Disclose that the person making the oral or written
20 request for a donation is being paid to make [~~such~~]
21 the solicitation and the name of the charitable



1 organization on whose behalf the person making the
2 request is soliciting; and

3 (4) Disclose, orally and in writing, the fact that a copy
4 of the professional solicitor's~~[,]~~ or charitable
5 fundraising platform's~~[, or platform charity's]~~
6 registration data and financial reports are available
7 from the department.

8 (b) A professional solicitor~~[, charitable fundraising~~
9 ~~platform, or platform charity]~~ who makes an oral solicitation by
10 telephone, door-to-door, or otherwise, ~~[prior to]~~ before
11 collecting or attempting to collect any contribution, shall
12 provide a written confirmation of the expected contribution and
13 clearly disclose that the contribution is not tax-deductible, if
14 applicable, or, if the professional solicitor~~[, charitable~~
15 ~~fundraising platform, or platform charity]~~ maintains that the
16 contribution is tax-deductible in whole or in part, the portion
17 of the contribution that the professional solicitor~~[, charitable~~
18 ~~fundraising platform, or platform charity]~~ maintains is
19 tax-deductible. The written confirmation shall also
20 conspicuously disclose the name and current address of the



1 registered professional solicitor[, ~~charitable fundraising~~
2 ~~platform, or platform charity~~]."

3 SECTION 5. Section 467B-2.3, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "[~~§~~§467B-2.3[~~§~~] **Charitable fundraising platforms**[~~+~~
6 **platform charities**]. (a) [~~Each charitable fundraising platform~~
7 ~~shall be subject to the department's supervision for activities~~
8 ~~regulated by this section.~~] Before soliciting, permitting, or
9 otherwise enabling any solicitations for purported charitable
10 purposes, a charitable fundraising platform shall register with
11 the department on a form or in a manner as provided by the
12 department. [~~Registrations under this section shall be subject~~
13 ~~to an annual report and an annual renewal fee imposed by the~~
14 ~~department. Fee revenues from this section shall be deposited~~
15 ~~into the solicitation of funds for charitable purposes special~~
16 ~~fund.~~

17 ~~(b) A platform charity shall be subject to the~~
18 ~~department's supervision. The platform charity shall register~~
19 ~~with the department as a platform charity before conducting~~
20 ~~activities regulated by this section.~~



~~(c) Each charitable fundraising platform and platform~~
~~charity shall file periodic reports with the department on a~~
~~form provided by the department. Reports shall be filed~~
~~pursuant to section 467B-12.]~~ The registration statement shall
contain the information set forth in subsection (b). The
registration under this section shall be accompanied by a fee in
the amount of \$250, or in the amount and with any additional
sums as may be prescribed by the attorney general. Renewal
registration statements shall be filed with the department on or
before July 1 of each calendar year by each charitable
fundraising platform. The renewal statement shall contain the
information set forth in subsection (b). A renewal fee of \$250,
or in any amount and with any additional sums as may be
prescribed by the attorney general, shall accompany the renewal
statement. If a renewal registration required under this
subsection is not filed, unless it is shown that the failure is
due to reasonable cause, a fine of \$20 shall be imposed for each
day during which the violation continues; provided that the
total amount imposed under this subsection shall not exceed
\$1,000.



1 (b) Each registration and renewal registration report
2 shall:

3 (1) Enable the department to ascertain whether charitable
4 funds have been properly solicited, received, held,
5 controlled, or distributed;

6 (2) Provide information on the number of donations made,
7 amount raised, length of time for distributing
8 donations or grants of recommended donations, fees
9 charged by or through a charitable fundraising
10 platform or platform charity, and names of recipient
11 charitable organizations or other charitable
12 organizations that were sent or have not yet been sent
13 donations or grants of recommended donations; and

14 (3) Protect from disclosure any personally identifiable
15 information of donors or other users of the charitable
16 fundraising platform.

17 ~~[(d) No platform charity shall facilitate acts of~~
18 ~~solicitation on a charitable fundraising platform unless the~~
19 ~~platform charity is in good standing.~~

20 ~~(e)]~~ (c) A charitable fundraising platform ~~[or platform~~
21 ~~charity]~~ shall only solicit, permit, or otherwise enable



1 solicitations, or receive, control, or distribute funds from
2 donations for purported charitable purposes for recipient
3 charitable organizations or other charitable organizations in
4 good standing. To determine good standing of a recipient
5 charitable organization or other charitable organization, a
6 charitable fundraising platform [~~or platform charity~~] may rely
7 on [~~electronic lists periodically published by the Internal~~
8 ~~Revenue Service, department of taxation, or department.~~] the
9 department's registry.

10 [~~(f)~~] (d) With respect to purported charitable purposes, a
11 charitable fundraising platform [~~or platform charity~~] that
12 performs, permits, or otherwise enables solicitation activities
13 shall, before a person can complete a donation or select or
14 change a recipient charitable organization, provide conspicuous
15 disclosures that reduce the likelihood of deception, confusion,
16 or misunderstanding, including:

- 17 (1) A statement that donations are made to the charitable
18 fundraising platform, platform charity, recipient
19 charitable organization, or person engaging in peer-
20 to-peer charitable fundraising, whichever is
21 applicable;



- (2) A statement that a recipient charitable organization may not receive donations or grants [~~or recommended donations~~], with an explanation identifying the most pertinent reasons [~~under which~~] that a recipient charitable organization may not receive the funds; provided that the explanation [~~as to the maximum length of time~~] of the most pertinent reasons that a recipient charitable organization may not receive the funds may be provided through a conspicuous hyperlink, so long as the disclosure is conspicuous when the hyperlink is selected; provided further that this paragraph shall not apply when there are no circumstances under which a recipient charitable organization may not receive the funds;
- (3) The maximum length of time it will take to send the donation or a grant of the recommended donation to a recipient charitable organization with an explanation of the time needed, unless the donation is sent contemporaneously to a recipient charitable organization after the donation is made; provided that the explanation as to the maximum length of time may



1 be provided through a conspicuous hyperlink, so long
2 as the disclosure is conspicuous when the hyperlink is
3 selected;

4 (4) The fees or any other amounts that will be deducted
5 from or added to the donation or a grant of the
6 recommended donation and that are charged or retained
7 by the charitable fundraising platform, [~~platform~~
8 ~~charity,~~] or any other partnering vendor, other than
9 any applicable digital payment processing fees; and

10 (5) A statement as to the tax deductibility of the
11 donation.

12 [~~(g)~~] (e) Each charitable fundraising platform [~~or~~
13 ~~platform-charity~~] that solicits, permits, or otherwise enables
14 solicitations shall obtain the written consent of a recipient
15 charitable organization before using the recipient charitable
16 organization's name in a solicitation for a purported charitable
17 purpose. Written consent shall be provided directly to the
18 charitable fundraising platform [~~or platform-charity~~], or may be
19 provided to a charitable fundraising platform [~~or platform~~
20 ~~charity~~] by one authorized officer, director, trustee, or other
21 duly authorized representative of the recipient charitable



1 organization and may apply to multiple affiliated charitable
2 fundraising platforms expressly identified in the agreement
3 providing consent.

4 ~~[(h)]~~ (f) After a donor contributes donations and with
5 respect to purported charitable purposes, the charitable
6 fundraising platform ~~[or platform charity]~~ shall promptly
7 provide a tax donation receipt to the donor in a ~~[format~~
8 ~~determined by the department.]~~ manner provided by section
9 170(f)(8) of the Internal Revenue Code of 1986, as amended.

10 ~~[(i)]~~ (g) The charitable fundraising platform ~~[or platform~~
11 ~~charity]~~ shall not divert or otherwise misuse any donations made
12 for purported charitable purposes that the charitable
13 fundraising platform ~~[or platform charity]~~ receives through
14 solicitation on the charitable fundraising platform, and shall
15 hold the donations in a separate account or accounts from other
16 funds belonging to the charitable fundraising platform ~~[or~~
17 ~~platform charity]~~. The charitable fundraising platform ~~[or~~
18 ~~platform charity]~~ shall promptly ensure that donations and
19 grants of recommended donations are sent to the recipient
20 charitable organizations with an accounting of any fees assessed
21 for processing the funds, and in accordance with any rules



1 adopted by the department pursuant to chapter 91. A platform
2 charity shall be [~~vicariously~~] liable for [~~a charitable~~
3 ~~fundraising platform's~~] its misuse of funds[, ~~and vice versa~~].
4 A charitable fundraising platform shall maintain and operate a
5 process for complaints about any fundraising activity regulated
6 by this chapter and shall investigate and make findings on
7 complaints, and, at the request of the department, shall report
8 its findings to the department along with its actions for
9 resolution, including any full refunds of contributions.

10 [~~(j)~~] (h) If a charitable fundraising platform [~~or~~
11 ~~platform charity~~] enters into any contract with a vendor to
12 solicit, receive, control, process, distribute, and otherwise
13 account for donations on the charitable fundraising platform,
14 the contract shall be available for inspection by the
15 department.

16 (i) The attorney general may require that registration and
17 renewal registration and contracts be filed with the department
18 electronically and may require the use of electronic signatures.

19 [~~(k)~~] (j) As used in this section, "good standing" means
20 that a platform charity, recipient charitable organization, or
21 other charitable [~~organization's tax-exempt status has not been~~



1 ~~revoked by the Internal Revenue Service or~~ organization is not
2 prohibited from soliciting or operating in the ~~[state]~~ State by
3 the department."

4 SECTION 6. Section 467B-2.5, Hawaii Revised Statutes, is
5 amended to read as follows:

6 **"§467B-2.5 Professional solicitor~~[, charitable~~**
7 **~~fundraising platform, and platform charity]~~ financial**
8 **reports; contribution account.** (a) A professional solicitor~~[,~~
9 ~~charitable fundraising platform, or platform charity]~~ shall file
10 with the attorney general a financial report for any charitable
11 solicitation campaign, including gross revenue from Hawaii
12 donors and national gross revenue and an itemization of all
13 expenses incurred on a form prescribed by the attorney
14 general no more than ninety days after the end of the
15 solicitation campaign and, for solicitation campaigns
16 lasting more than one year, within ninety days after each
17 anniversary of the commencement of the solicitation
18 campaign and within ninety days after the end of the
19 solicitation campaign.

20 (b) The attorney general may require the financial
21 report required by subsection (a) to be submitted



1 electronically and may require the use of electronic
2 signatures. This report shall be signed by the professional
3 solicitor, [~~charitable fundraising platform, platform charity,~~
4 or ~~by~~] an authorized officer or agent of the professional
5 solicitor[, ~~charitable fundraising platform, or platform~~
6 ~~charity~~] who shall certify that the statements therein are true
7 and correct to the best of the solicitor's, officer's, or
8 agent's knowledge subject to penalties imposed by section 710-
9 1063. If a financial report required under this section is not
10 filed in a timely manner, taking into account any extension of
11 time for filing, unless it is shown that the failure is due to
12 reasonable cause, an initial late filing fee of \$100 shall be
13 imposed, and an additional late filing fee of \$20 per day shall
14 be imposed, for each day during which the violation continues;
15 provided that the total fee amount imposed under this subsection
16 shall not exceed \$1,000. The attorney general may waive all or
17 part of the late filing fee imposed by this subsection if
18 there is a reasonable cause for the failure to timely file.
19 The professional solicitor[, ~~charitable fundraising platform,~~
20 ~~or platform charity~~] shall provide a copy of the financial
21 report to the charitable organization to which the financial



1 report pertains within ten days of its submission of the
2 report to the attorney general.

3 (c) A professional solicitor[, ~~charitable fundraising~~
4 ~~platform, or platform charity~~] shall maintain during each
5 solicitation campaign and for not less than three years
6 after the completion of that campaign the following records,
7 which shall be available for inspection upon demand by the
8 attorney general:

9 (1) The date and amount of each contribution received
10 and the name and address of each contributor;

11 (2) The name and residence of each employee, agent, or
12 other person involved in the solicitation;

13 (3) Records of all revenue received and expenses
14 incurred in the course of the solicitation
15 campaign; and

16 (4) The location and account number of each bank or
17 other financial institution account in which the
18 professional solicitor[, ~~charitable fundraising~~
19 ~~platform, or platform charity~~] has deposited
20 revenue from the solicitation campaign.



1 (d) Any material change in any information filed with the
2 attorney general pursuant to this section shall be reported in
3 writing by the professional solicitor[~~, charitable fundraising~~
4 ~~platform, or platform charity~~] to the attorney general not more
5 than seven days after the change occurs.

6 (e) Each contribution in the control or custody of the
7 professional solicitor[~~, charitable fundraising platform, or~~
8 ~~platform charity~~] in its entirety and within five days of its
9 receipt, shall be deposited in an account at a bank or other
10 federally insured financial institution, which shall be in the
11 name of the charitable organization. The charitable
12 organization shall maintain and administer the account and shall
13 have sole control of all withdrawals."

14 SECTION 7. Section 467B-9, Hawaii Revised Statutes, is
15 amended by amending subsection (d) to read as follows:

16 "(d) No professional solicitor, charitable fundraising
17 platform, or platform charity, and no agent, employee,
18 independent contractor, or other person acting on behalf of the
19 professional solicitor, charitable fundraising platform, or
20 platform charity, shall solicit in the name of or on behalf of
21 any charitable organization unless[+] the charitable fundraising



1 platform or platform charity has obtained written consent
2 pursuant to section 467B-2.3(e) or:

3 (1) The professional solicitor[, ~~charitable fundraising~~
4 ~~platform, or platform charity~~] has obtained the
5 written authorization of two officers of the
6 organization, which authorization shall bear the
7 signature of the professional solicitor[, ~~charitable~~
8 ~~fundraising platform, or platform charity~~] and the
9 officers of the charitable organization and shall
10 expressly state on its face the period for which it is
11 valid, which shall not exceed one year from the date
12 of issuance, and has filed a copy of the written
13 authorization with the attorney general [~~prior to~~
14 before the solicitation; and

15 (2) The professional solicitor[, ~~charitable fundraising~~
16 ~~platform, or platform charity~~] and any person who, for
17 compensation, acts as an agent, employee, independent
18 contractor, or otherwise on behalf of the professional
19 solicitor, [~~charitable fundraising platform, or~~
20 ~~platform charity,~~] carries a copy of the authorization
21 while conducting solicitations, and exhibits it on



1 request to persons solicited or police officers or
2 agents of the department."

3 SECTION 8. Section 467B-12, Hawaii Revised Statutes, is
4 amended to read as follows:

5 **"§467B-12 Filing requirements for professional fundraising**
6 **counsel[~~7~~] and professional solicitors[~~7~~, ~~charitable fundraising~~**
7 **~~platforms, and platform charities~~].** (a) Every professional
8 fundraising counsel[~~7~~] or professional solicitor, [~~charitable~~
9 ~~fundraising platform, or platform charity, prior to~~] before any
10 solicitation, shall register with the department. The
11 registration statement shall contain the information set forth
12 in subsection (e). The registration statement shall be
13 accompanied by a fee in the amount of \$250, or in the amount and
14 with any additional sums as may be prescribed by the attorney
15 general. Renewal registration statements shall be filed with
16 the department on or before July 1 of each calendar year by each
17 professional fundraising counsel[~~7~~] or professional solicitor[~~7~~
18 ~~charitable fundraising platform, or platform charity~~]. The
19 renewal statement shall contain the information set forth in
20 subsection (e). A renewal fee of \$250, or in any amount and
21 with any additional sums as may be prescribed by the attorney



1 general, shall accompany the renewal statement. If a renewal
2 registration required under this section is not filed, unless it
3 is shown that the failure is due to reasonable cause, a fine of
4 \$20 shall be imposed for each day during which the violation
5 continues; provided that the total amount imposed under this
6 subsection shall not exceed \$1,000.

7 (b) Each professional solicitor, [~~charitable fundraising~~
8 ~~platform, or platform charity,~~] at the time of each filing,
9 shall file with and have approved by the attorney general a bond
10 in which the applicant is the principal obligor in the penal sum
11 of \$25,000 issued with good and sufficient surety or sureties
12 approved by the attorney general and which shall remain in
13 effect for one year. The bond shall inure to the benefit of the
14 State, conditioned that the applicant, its officers, directors,
15 employees, agents, servants, and independent contractors shall
16 not violate this chapter. A partnership or corporation that is
17 a professional solicitor[~~, charitable fundraising platform, or~~
18 ~~platform charity~~] may file a consolidated bond on behalf of all
19 its members, officers, and employees.

20 (c) The attorney general shall examine each registration
21 statement and supporting document filed by a professional



1 fundraising counsel[~~7~~] or professional solicitor[~~7~~, ~~charitable~~
2 ~~fundraising platform, or platform charity~~] and shall determine
3 whether the registration requirements are satisfied. If the
4 attorney general determines that the registration requirements
5 are not satisfied, the attorney general shall notify the
6 professional fundraising counsel[~~7~~] or professional solicitor[~~7~~
7 ~~charitable fundraising platform, or platform charity~~] in writing
8 within fifteen business days of its receipt of the registration
9 statement; otherwise the registration statement [~~is~~] shall be
10 deemed to be approved. Within seven business days after receipt
11 of a notification that the registration requirements are not
12 satisfied, the professional fundraising counsel[~~7~~] or
13 professional solicitor[~~7~~, ~~charitable fundraising platform, or~~
14 ~~platform charity~~] may request a hearing.

15 (d) The attorney general may require that registration and
16 renewal registration, surety bonds, and contracts be filed with
17 the department electronically and may require the use of
18 electronic signatures.

19 (e) Each registration and renewal registration shall
20 contain:



- 1 (1) The names and addresses of all owners, officers, and
2 directors of a professional fundraising counsel [~~or~~
3 ~~charitable fundraising platform~~], and the names and
4 addresses of all owners, officers, and directors of a
5 professional solicitor [~~or platform charity~~];
- 6 (2) A statement concerning the corporate form of the
7 registrant, whether corporation, limited liability
8 corporation, partnership, or individual;
- 9 (3) A statement whether the registrant has an office in
10 Hawaii and the name and phone number of the person in
11 charge of the office;
- 12 (4) The names and addresses of any individuals supervising
13 any solicitation activity;
- 14 (5) A statement whether the [~~+~~]registrant[~~+~~] has entered
15 into a consent agreement with, or been disciplined by
16 or subject to administrative action by, another
17 governmental agency;
- 18 (6) A statement whether any officer, director, or any
19 person with a controlling interest in the registrant
20 has ever been convicted of a felony or a misdemeanor



1 involving dishonesty in the solicitation for a
2 charitable purpose;

3 (7) The date that the registrant began soliciting Hawaii
4 residents on behalf of a charitable organization or
5 providing professional fundraising counsel services;
6 and

7 (8) Whether any owners, directors, or officers are related
8 to:

9 (A) Any other officers, directors, owners, or
10 employees of the registrant;

11 (B) Any officer, director, trustee, or employee of a
12 charitable organization under contract with the
13 registrant; and

14 (C) Any vendor or supplier providing goods or
15 services to a charitable organization under
16 contract with the registrant."

17 SECTION 9. Section 467B-12.5, Hawaii Revised Statutes, is
18 amended by amending subsections (a), (b), and (c) to read as
19 follows:

20 "(a) There shall be a written contract between a
21 charitable organization and a professional fundraising



1 counsel[~~7~~] or professional solicitor[~~7~~, ~~charitable fundraising~~
2 ~~platform, or platform charity~~] that shall be filed by the
3 professional fundraising counsel[~~7~~] or professional solicitor[~~7~~
4 ~~charitable fundraising platform, or platform charity~~] with the
5 attorney general at least ten business days [~~prior to~~] before
6 the performance by the professional fundraising counsel[~~7~~] or
7 professional solicitor[~~7~~, ~~charitable fundraising platform, or~~
8 ~~platform charity~~] of any service. No solicitation or service
9 pursuant to the contract shall begin before the contract is
10 filed with the attorney general. The contract shall be signed
11 by two authorized officials of the charitable organization, one
12 of whom shall be a member of the organization's governing body,
13 and the authorized contracting officer for the professional
14 fundraising counsel[~~7~~] or professional solicitor[~~7~~, ~~charitable~~
15 ~~fundraising platform, or platform charity~~]. The contract shall
16 contain all of the following provisions:

17 (1) The legal name and address of the charitable
18 organization;

19 (2) A statement of the charitable purpose for which the
20 solicitation campaign is being conducted;



1 (3) A statement of the respective obligations of the
2 professional fundraising counsel[7] or professional
3 solicitor[~~7 charitable fundraising platform, or~~
4 ~~platform charity~~] and the charitable organization;

5 (4) A statement of the guaranteed minimum percentage of
6 the gross receipts from contributions that will be
7 remitted to or retained by the charitable
8 organization, if any, or, if the solicitation involves
9 the sale of goods, services, or tickets to a
10 fundraising event, the percentage of the purchase
11 price that will be remitted to the charitable
12 organization, if any. The stated percentage shall
13 exclude any amount that the charitable organization is
14 to pay as fundraising costs;

15 (5) Information concerning the compensation of the
16 professional solicitor and professional fundraising
17 counsel as follows:

18 (A) If the compensation of the professional
19 fundraising counsel[7] or professional
20 solicitor[~~7 charitable fundraising platform, or~~
21 ~~platform charity~~] is contingent upon the number



1 of contributions or the amount of revenue
2 received, a statement shall be included
3 specifying the percentage of the gross revenue
4 that is the basis for that compensation. The
5 stated percentage shall include any amount that
6 the professional fundraising counsel^[7] or
7 professional solicitor^[7] ~~charitable fundraising~~
8 ~~platform, or platform charity~~ is to be
9 reimbursed for fundraising costs;

10 (B) If the compensation of the professional
11 solicitor^[7] ~~charitable fundraising platform, or~~
12 ~~platform charity~~ is not contingent upon the
13 number of contributions or amount of revenue
14 received from the solicitation campaign, the
15 compensation shall be expressed as a reasonable
16 estimate of the percentage of the gross revenue,
17 and the contract shall clearly disclose the
18 assumptions upon which the estimate is based.
19 The stated assumptions shall be based upon all of
20 the relevant facts known to the professional



1 solicitor regarding the solicitation to be
2 conducted by the professional solicitor; or
3 (C) If the compensation of the professional
4 fundraising counsel[, ~~charitable fundraising~~
5 ~~platform, or platform charity~~] is not contingent
6 on the number of contributions or amount of
7 revenue received from the solicitation campaign,
8 the compensation shall be stated in a dollar
9 amount;

10 (6) The effective and termination dates of the contract
11 or, if the contract does not have a set termination
12 date, a clause allowing either party a reasonable
13 period to terminate the contract or notify the other
14 party if either party chooses not to renew. The
15 contract shall also contain the date services will
16 commence with respect to solicitation in this State of
17 contributions for a charitable organization;

18 (7) In the case of a professional fundraising counsel,
19 [~~charitable fundraising platform, or platform~~
20 ~~charity,~~] a statement that the professional



1 fundraising counsel will not at any time have custody
2 or control of contributions, as applicable;

3 (8) A statement that the charitable organization exercises
4 control and approval over the content and volume of
5 any solicitation; and

6 (9) Any other information required by the rules of the
7 attorney general.

8 (b) No professional fundraising counsel[7] or professional
9 solicitor[~~7, charitable fundraising platform, or platform~~
10 ~~charity~~] shall contract with a charitable organization unless
11 the professional fundraising counsel[7] or professional
12 solicitor[~~7, charitable fundraising platform, or platform~~
13 ~~charity~~] is registered with the department. A contract with an
14 unregistered professional fundraising counsel[7] or professional
15 solicitor[~~7, charitable fundraising platform, or platform~~
16 ~~charity~~] shall be voidable at the option of the charitable
17 organization.

18 (c) Whenever a charitable organization contracts with a
19 professional fundraising counsel[7] or professional solicitor[7
20 ~~charitable fundraising platform, or platform charity,~~] the
21 charitable organization shall have the right to cancel the



1 contract without cost, penalty, or liability, for a period of
2 ten days following the date on which that contract is executed.
3 Any provision in the contract that is intended to waive this
4 right of cancellation shall be void and unenforceable."

5 SECTION 10. Act 205, Session Laws of Hawaii 2024, is
6 amended by amending section 16 to read as follows:

7 "SECTION 16. This Act shall take effect on [~~January~~]
8 July 1, 2026."

9 SECTION 11. This Act does not affect rights and duties
10 that matured, penalties that were incurred, and proceedings that
11 were begun before its effective date.

12 SECTION 12. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 13. This Act shall take effect on July 1, 2026;
15 provided that section 10 shall take effect on July 1, 2025.



Report Title:

Department of the Attorney General; Solicitation of Funds from the Public; Donations; Charitable Funding Platforms; Platform Charities; Registration

Description:

Amends Act 205, SLH 2024, to clarify standards and safeguards in online crowdfunding, including creating separate registration, reporting, and fee requirements that are specific to platform charities and charitable fundraising platforms. Extends the effective date of Act 205 to July 1, 2026. (CD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

