

February 26, 2026

House of Representatives Committee on Consumer Protection and Commerce

Testimony or HB 1810, HD1, Relating to Charitable Solicitation

Hearing: February 26, 2026, 2:00 p.m.

Aloha Chair Matayoshi, Vice Chair Grandinetti, and members of the committee,

Goodwill Hawaii is a 501(c)(3) non-profit charity that helps people with employment barriers to reach their full potential and become self-sufficient. Since 1959, we have provided job placement, career development, education, training, employment, and support services for people throughout the state. Thousands of Hawaii residents each year benefit from our services and have found employment in our community.

We are writing to offer our **strong support** for HB 1810, HD1, which would enhance transparency in charitable fundraising and donations. We believe it is a critical step forward that would help maintain donors' trust and ensure no one is in the dark about who their donations benefit.

Goodwill Hawaii is rare among local not-for-profit organizations because most of its revenue is earned through retail sales at our community stores, service contracts in competition with private providers, and grants for job training services. Most of the goods in our retail stores are received as charitable donations at collection sites across the state.

Honolulu Civil Beat recently highlighted a troubling trend of collection sites cropping up across Oahu, where operators advertise that donations received will benefit a nonprofit organization. In fact, some operators collect donated goods, resell the goods for profit, and provide only a small fraction of the proceeds to the charity advertised to donors on the bin. Sometimes this is only a few cents per pound of items donated. Donors are frequently unaware of these arrangements and may reasonably believe their donation is tax-deductible or primarily benefiting a charitable mission when that may not be the case.

Without action to clarify the guidelines for fundraisers, nonprofit organizations across the state will continue to see donations diverted to for-profit or potentially illegal operations, depriving us of the proceeds from donations we use to serve our community. Given the importance of donated goods to fulfilling our mission, we are deeply concerned that these operations will continue to result in less funding available to meet a growing demand for services.

In an effort to address the concerns of the Department of the Attorney General (the "Department"), Goodwill is amenable to delay in the effective date for Section 3 of this measure to January 1, 2027. However, we respectfully request that the amended definitions and prohibited practices section of the bill (Sections 1, 2, and 4 and 5 of this Act) take effect upon approval. Moreover, it should be noted that the Department has a special fund specifically earmarked for the administration and enforcement of Hawaii's charitable solicitation law. Over 10,000 registered charities and fundraisers pay annual fees into this fund. According to a report

from the Legislative Auditor, the fund had a balance of \$5 million at the end of the 2024 Fiscal Year. The Department, therefore, appears to have necessary funding to administer these amendments.

Goodwill Hawaii also respectfully asks this Committee to consider deleting subsection (h)(2) of HRS Section 467B-2.5, Hawaii Revised Statutes (currently set forth on page 10 of the HD1). While it would be fairly easy to identify the percentage of a monetary donation being allocated to charitable organizations, it would be impracticable for a professional solicitor to identify a specific percentage of tangible property being so allocated since the tangible property itself is not being donated to a charity.

HB 1810, HD1 is a targeted measure for paid professional solicitors who are already required to comply with state standards and reporting requirements. It would not expand the covered organizations or include nonprofessional, grassroots fundraising efforts that support community causes. The bill would ensure that everyone benefits from a level playing field and clearer guidelines on how they can legally operate.

Mahalo for the opportunity to testify in support of this important measure.

Katy Chen
President/CEO



House Committee on Consumer Protection and Commerce
February 26, 2026 at 2:00 AM
Room 329

Testimony in SUPPORT for HB1810 HD1

Aloha Chair Matayoshi, Vice Chair Grandinetti, and members of the Committee:

On behalf of the Hawai'i Alliance of Nonprofit Organizations, I would like to offer our comments in **support of HB1810 HD1**, which strengthens transparency and consumer protections in charitable solicitation involving the collection of donated goods.

The Hawai'i Alliance of Nonprofit Organizations (HANO) is a statewide, sector-wide professional association of nonprofits that works to strengthen and unite the nonprofit sector as a collective force to improve the quality of life in Hawai'i. Since 2006, HANO has been a leading voice for the nonprofit sector, leveraging resources, educating and advocating for policies and practices that promote the professionalism, sustainability, and effectiveness of nonprofits and the communities they serve.

Hawai'i's nonprofit organizations rely on public trust to carry out their missions. When residents donate clothing or household goods, they reasonably expect those items, or the value derived from them, to meaningfully support charitable missions. Recent reporting suggests that some for-profit donation collection models can be confusing to donors, particularly when charitable imagery or language is used, and donated items are resold for profit and only a portion of proceeds ultimately supports nonprofit partners.

HB1810 addresses this issue in a thoughtful and targeted way. It clarifies that donated goods and collection bins are covered under charitable solicitation laws and are subject to reasonable reporting requirements and prompt payment to nonprofits. The bill does not prohibit donation bins or partnerships with for-profit entities, but it does require honesty, disclosure, and accountability.

HANO supports HB1810 HD1, as greater transparency around donations benefits donors, strengthens trust in the nonprofit sector, and supports the integrity of charitable giving in Hawai'i.

Mahalo for the opportunity to submit testimony.



TESTIMONY OF DAVE ERDMAN, PRESIDENT & CEO
RETAIL MERCHANTS OF HAWAII
FEBRUARY 25, 2026

IN SUPPORT OF HB 1810, HD1 – RELATING TO CHARITABLE SOLICITATION

Aloha Chair Matayoshi, Vice Chair Grandinetti, and Members of the Committee:

My name is Dave Erdman, and I am the Interim President and CEO of Retail Merchants of Hawai'i (RMH), a statewide nonprofit trade association representing retailers, shopping centers, nonprofit thrift stores, and allied businesses across Hawai'i.

Retail Merchants of Hawai'i supports HB 1810, HD1 because the measure improves transparency and fairness in charitable donation collection.

Many nonprofit organizations and thrift retailers rely on donated goods to fund job training and community services. When donation collection operators suggest that goods will benefit a charity but only a small portion of the proceeds actually reaches the nonprofit organization, it can mislead donors and reduce support for legitimate charitable efforts.

HB 1810, HD1 helps ensure donors understand where their donations go and promotes a level playing field for responsible nonprofit organizations and retailers. Retail Merchants of Hawai'i supports the proposed approach to implementation. We support delaying the effective date of Section 3 until January 1, 2027, while allowing the definitions and prohibited practices sections of the bill to take effect sooner so clearer rules can be established.

We also note that charities and fundraisers already pay fees that support enforcement of Hawai'i's charitable solicitation laws. Existing resources appear sufficient to administer these updates, and no additional appropriation should be necessary.

Mahalo for the opportunity to testify in support of HB 1810, HD1.

Respectfully submitted,
Dave Erdman
Interim President & CEO
Retail Merchants of Hawai'i



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February 26, 2026

**Testimony in Support of HB 1810
Relating to Charitable Solicitation**

Aloha Chair Matayoshi, Vice Chair Grandinetti, and Members of the Committee,

I write today to express my **strong support** for HB 1810 HD1 to require for-profit professional solicitors operating public collection receptacles to provide greater transparency on their donation practices.

These operators collect donated goods, resell the goods for profit, and provide only a small fraction of the proceeds to the charity advertised to donors on the bin. Sometimes this is only a few cents per pound of items donated. Donors are frequently unaware of these arrangements and may reasonably believe their donation is tax-deductible or primarily benefiting a charitable mission, when that may not be the case.

Such a lack of transparency risks undermining public trust in charitable giving, which community benefit organizations in our community work so hard to earn and keep.

Without action, nonprofits that rely on donations to fund their work in job training and community programs will continue to suffer the loss of support and resources while for profit companies pocket the proceeds from unsuspecting donors' generosity.

Thank you for the opportunity to testify, and I urge your strong support of HB 1810 HD1.

Mahalo,

Michelle Bartell
President & CEO
Aloha United Way