

March 16, 2026

Senate Committee on Commerce and Consumer Protection

**Testimony or HB 1810, HD2, Relating to Charitable Solicitation**

**Hearing: March 18, 2026, 9:30 a.m.**

Aloha Chair Keohokalole, Vice Chair Fukunaga, 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, HD2, 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.

HB 1810, HD2 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



TESTIMONY OF DAVE ERDMAN  
INTERIM PRESIDENT & CEO  
RETAIL MERCHANTS OF HAWAII

**IN SUPPORT OF HB 1810 HD2 – RELATING TO CHARITABLE SOLICITATION  
COMMITTEE ON COMMERCE AND CONSUMER PROTECTION**

Wednesday, March 18, 2026  
9:30 AM Conference Room 229

Aloha Chair Keohokalole, Vice Chair Fukunaga, 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, dining in shopping centers and in retail, nonprofit thrift stores, and allied businesses across Hawai'i.

**Retail Merchants of Hawai'i supports HB 1810 HD2** because the measure strengthens transparency and fairness in charitable donation collection practices involving donated goods.

Many nonprofit organizations and thrift retailers rely on donated clothing and household goods as an important source of funding for job training programs, workforce development initiatives, and community services. Hawai'i residents are generous in donating items they no longer need, and they reasonably expect that their donations will meaningfully support charitable missions.

In some cases, donation collection bins or receptacles may be operated by for-profit entities that resell donated items while compensating charitable partners based on weight or other arrangements that may not be clearly understood by donors. When the public is unclear about how donations are used, it can create confusion and reduce confidence in legitimate charitable organizations and nonprofit retailers.

HB 1810 HD2 helps address these concerns by clarifying that donated goods collected through bins and similar receptacles fall within Hawai'i's charitable solicitation laws and by establishing reasonable reporting, disclosure, and payment requirements for professional solicitors operating these programs. These provisions help ensure that donors receive clear information about how their contributions are used while supporting transparency and accountability across the sector.

Importantly, this measure does not prohibit partnerships between charitable organizations and for-profit operators. Rather, it promotes honest disclosure and fair practices so that donors can make informed decisions, and charitable organizations can maintain the public trust that is essential to their work.

By strengthening transparency and ensuring a level playing field, HB 1810 HD2 supports both charitable organizations and the many nonprofit thrift retailers that serve communities throughout Hawai'i.

Mahalo for the opportunity to testify in **support of HB 1810 HD2.**

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



**TESTIMONY ON HOUSE BILL NO. 1810 HD 2  
RELATING TO CHARITABLE SOLICITATION**

BEFORE THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

HEARING DATE: MARCH 18, 2025

TIME: 9:30 A.M

Chair Keohokalole, Vice Chair Fukunaga, and members of the committee:

I am a former Senior Deputy Attorney General for the Department of the Attorney General. I was the principal author of the Attorney General’s 2008 legislation that created registration and reporting requirements for charities that solicit contributions, and the registration provisions applicable to professional solicitors that were adopted in 2006. I am the former president of the National Association of State Charity Officials (NASCO).

I support the passage of House Bill No. 1810 that would provide greater transparency for donors who donate tangible property to a professional solicitor, who later re-sells the donated goods at for profit retail thrift stores. I also support beefed up financial reporting by such paid solicitors so that the public can better understand how the solicitor and associated charity benefited from the donated tangible property

I noticed that in past testimony, the Attorney General has sought an appropriation to allow it to implement the provisions of this bill. When chapter 467B, HRS was adopted in its present form in 2008, the Legislature created a special fund (section 467B-15, HRS). This Fund holds all registration fees, fines and penalties collected by the Attorney General. Section 467B-15, HRS provides “moneys in the fund may be expended by the attorney general for the enforcement of this chapter, the dissemination of public information, and the oversight of charities and professional fundraisers.” I also note that a 2025 Report<sup>1</sup> by the Legislative Auditor (excerpt attached) noted that as of FYE 2024, this special fund had a Fund balance of approximately \$5.08 million. Thus, it appears that the Attorney General is collecting more annually in fees from registrants than it is expending on administering the law. When I retired from the Attorney General’s office, the Fund covered the personnel costs of two full-time deputy attorneys general, a paralegal, part of the supervisor’s salary and for and computer programing

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<sup>1</sup> Review of Special Funds, Revolving Funds, and Trust Accounts of the Attorney General, Legislative Auditor Rep. No. 25-04 (February 2025)

and software related expenses. If the Attorney General truly needs additional funding to implement this bill, it should seek appropriation from its special fund.

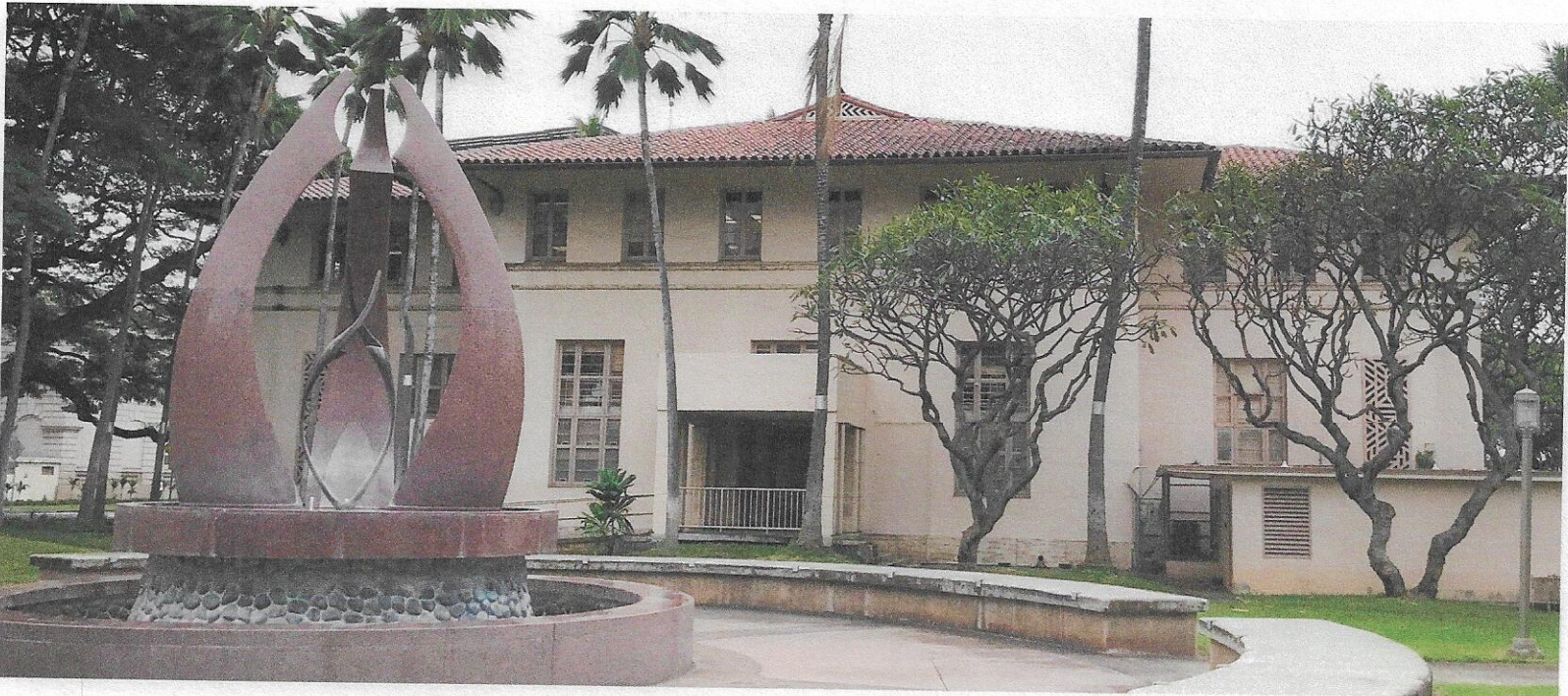
Thank you for considering my comments.

Attachments: (1)

# Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of the Attorney General

A Report to the Governor and the Legislature of the State of Hawai'i

Report No. 25-04  
February 2025



**OFFICE OF THE AUDITOR**  
STATE OF HAWAII

**Solicitation of  
Funds for Charitable  
Purposes Special Fund**

**Section 467B-15, HRS**

<b>Financial Data for Fiscal Years 2020 – 2024 (in thousands)</b>					
	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
Beginning Balance	\$2,071	\$2,062	\$2,772	\$3,593	\$3,962
Revenues	1,268	1,910	2,055	1,792	2,557
Interest	0	2	9	12	14
Expenditures	(1,277)	(1,186)	(1,243)	(1,423)	(1,525)
Transfers*	0	(16)	0	(12)	0
<b>Ending Balance</b>	<b>\$2,062</b>	<b>\$2,772</b>	<b>\$3,593</b>	<b>\$3,962</b>	<b>\$5,008</b>
Encumbrances	\$104	\$44	\$114	\$70	\$135

\*Transfers in FY2021 and FY2023 of \$16,563 and \$11,978 to Collective Bargaining special fund pursuant to Executive Memorandum Nos. 20-09 and 22-03, respectively.

**Fund Summary**

<b>Account Type</b>	Special fund
<b>How was the fund created?</b>	Act 93 (SLH 2004)
<b>Why was it created?</b>	The fund is used to provide the Attorney General with necessary resources to register, regulate, and oversee the fundraising activities of organizations in the State as mandated by Chapter 467B, HRS.
<b>Fund meets criteria?</b>	This fund meets the criteria of a special fund and continues to serve the purpose for which it was originally established.
<b>Performance standards</b>	No, the fund does not have performance standards.
<b>Revenues</b>	Revenues are from registration fees paid by professional solicitors and fundraising counsel; annual registration fees paid by registered charitable organizations; fines and other penalties assessed and collected by the Department of the Attorney General; and other costs of investigation and enforcement that are paid through settlements and enforcement actions.
<b>Expenditures</b>	Expenditures include staff salaries; office supplies; investigation and litigation related costs; travel and training expenses; and the development, implementation, maintenance, and technical support for the State's online registration system and publicly searchable charity registry.
<b>Reported pursuant to Section 37-47, HRS</b>	Yes.
<b>Reported pursuant to Section 37-48, HRS</b>	Yes.
<b>Reported pursuant to Section 37-49, HRS</b>	Yes.
<b>Reported pursuant to Section 37-52.5, HRS</b>	Not applicable, the fund was established pursuant to an act.



**Senate Committee on Commerce and Consumer Protection**  
**March 18, 2026 at 9:30 AM**  
**Room 229**

**Testimony in SUPPORT for HB1810 HD2**

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Aloha Chair Keohokalole, Vice Chair Fukunaga, and members of the Committee:

On behalf of the Hawaii Alliance of Nonprofit Organizations, I would like to offer our comments in **support of HB1810 HD2**, which strengthens transparency and consumer protections in charitable solicitation involving the collection of donated goods.

The Hawaii 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 Hawaii. 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.

Hawaii'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 HD2, as greater transparency around donations benefits donors, strengthens trust in the nonprofit sector, and supports the integrity of charitable giving in Hawaii.

Mahalo for the opportunity to submit testimony.

**Senate Committee on Commerce and Consumer Protection**  
**March 18 2026, at 9:30AM**  
**Room 229**

**Testimony in SUPPORT for HB1810 HD2**

Aloha Chair Keohokalole, Vice Chair Fukunaga, and members of the Committee:

My name is Noriko Namiki, CEO of YWCA O'ahu, where we run signature programs including Dress for Success and the Bella Project.

The Dress for Success program, which started in 2003, provides a wraparound service for women needing a hand up, not a handout to rebuild their lives after combatting life challenging circumstances including domestic violence, incarceration and sexual assault. One of our core offerings through this program is a free styling where women are dressed from head to toe including interview appropriate attire, clean underwear, shoes and handbags. We prepare women with a professional look and carefully crafted resume to set them up for success.

We provide all the services under the Dress for Success Program at no cost to the participants simply because the women who come through our doors cannot afford to pay for the services we deliver. The program serves more than 500 women a year and we need to cover 100% of the program costs year after year.

Similarly, we provide nearly 400 high school students throughout the state with prom dresses for free, which breaks down economic barriers for their families. We believe no student should miss their special moment in high school life just because they cannot afford attire for the occasion and this is where we come in.

The YWCA O'ahu Benefit Sale is a crucial source of revenue, a lifeline for all our programming including Dress for Success and the Bella Project. Without such social enterprise activities, we would not be able to offer this critical service to the community. 100% of the proceeds go right back into our programs.

We would like to offer our **strong support** for **HB1810 HD2**, which can create more transparent reports in charitable fundraising and donations. Many nonprofit organizations with 501(c)(3) status are scrambling to diversify their sources of funding to keep much-needed services in the community and help individuals live the lives they have always dreamed of. This is why the community provides its support with their donations, including in-kind and monetary contributions.

The revenue gained from items donated by generous community members should be responsibly managed and used for those who are in need. We appreciate the intent of this Act, which is to regulate the activities of professional solicitors. Transparency can help donors make decisions as to where they would like to put their trust and resources.

Thank you.



Noriko Namiki  
CEO



**LATE**



March 17, 2026

**Testimony in Support of H.B.1810 HD2  
Relating to Charitable Solicitation**

Aloha Chair Keohokalole, Vice Chair Fukunaga, and members of the Committee,

I write today to express my strong support for H.B. 1810 HD2, which requires for-profit professional solicitors operating public collection receptacles to provide greater transparency regarding their donation practices.

Across our communities, residents generously donate clothing and other goods with the sincere belief that their contributions are directly supporting charitable organizations and community programs. However, in many cases, for-profit operators collect these items, resell them, and provide only a minimal portion of the proceeds, sometimes just a few cents per pound, to the named charity. Most donors are unaware of these arrangements and may reasonably assume their donations are tax-deductible or primarily benefiting a charitable mission.

This lack of transparency is deeply concerning. It risks eroding public trust in charitable giving, the same trust that nonprofit organizations work diligently to build and sustain. When donors feel misled, they may become less likely to give in the future, ultimately harming legitimate nonprofit organizations that rely on community support to fund essential services such as job training, education, and other critical programs.

H.B. 1810 provides important consumer protections by ensuring clear disclosure, timely payments, and accountability in financial reporting. These measures will help donors make informed decisions and protect the integrity of Hawaii's nonprofit sector.

Without this action, nonprofits will continue to lose vital support and resources, while for-profit companies disproportionately benefit from the generosity of our communities.

Thank you for the opportunity to testify. I respectfully urge your strong support of H.B. 1810.

Mahalo,

Michelle Bartell  
President & CEO  
Aloha United Way

March 17, 2026

Senate Committee on Commerce and Consumer Protection  
Testimony on HB 1810, HD2 – Relating to Charitable Solicitation  
Hearing: March 18, 2026, 9:30 a.m.

Aloha Chair Keohokalole, Vice Chair Fukunaga, and members of the committee,

My name is Maile Kawamura, and I serve as President & CEO of the National Kidney Foundation of Hawai'i. Our organization is dedicated to improving the lives of those affected by kidney disease through education, advocacy, and patient support services across our state.

I am writing in strong support of HB 1810, HD2. This measure is an important step in strengthening transparency and accountability in charitable fundraising—both of which are essential to maintaining the trust of our community.

Our work relies heavily on the generosity of donors who believe their contributions are directly supporting meaningful, mission-driven impact. When there is confusion or lack of clarity around how donations are collected or used, it not only affects individual organizations, but also erodes confidence in the nonprofit sector as a whole.

We have seen growing concern around donation collection practices that may unintentionally mislead donors. Individuals often give with the understanding that their contributions are supporting a charitable cause, when in some cases, only a small portion of proceeds may actually reach a nonprofit. Greater clarity and consistency in these practices will help ensure donors can give with confidence and that organizations operating with integrity are not disadvantaged.

HB 1810, HD2 provides thoughtful and targeted improvements that support a more transparent and equitable environment for charitable organizations, while preserving the ability for community-based fundraising efforts to continue.

Mahalo for the opportunity to testify in support of this important measure and for your continued commitment to protecting both donors and the nonprofit organizations serving our communities.

With aloha,



Maile Kawamura  
President & CEO  
National Kidney Foundation of Hawaii