



**House Committee on Economic Development and Technology
March 20, 2026 at 9:30 AM
Room 423**

Testimony in SUPPORT for SB2436 SD2

Aloha Chair Ilagan, Vice Chair Hussey, and members of the Committee:

On behalf of the Hawaii Alliance of Nonprofit Organizations, I would like to offer our comments in **support of SB2436 SD2**, 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.

SB2436 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 this measure, as greater transparency benefits donors, strengthens trust in the nonprofit sector, and supports the integrity of charitable giving in Hawaii.

Mahalo for the opportunity to submit testimony.



March 17, 2026

**Testimony in Support of S.D.2436 SD2
Relating to Charitable Solicitation**

Aloha Chair Ilagan, Vice Chair Hussey, and Members of the Committee,

Aloha United Way strongly supports S.B. 2436, SD 2, which increases transparency and accountability in charitable solicitation involving donation collection bins.

Every day, we see the generosity of Hawai'i's community. Residents donate clothing, household goods, and other items with the genuine belief that their contributions are directly supporting charitable organizations and helping local families in need. However, many are unaware that in some cases these donations are collected by for-profit operators, with charities receiving only a small fraction of the value.

This bill addresses that gap in transparency. S.B. 2436 SD2 ensures that donors are given clear, accurate information about where their donations are going and how they are being used. Requiring disclosure on collection bins, along with stronger financial reporting and timely payments to charitable partners, empowers donors to make informed decisions and helps protect the integrity of Hawai'i's nonprofit sector.

For organizations like Aloha United Way and the hundreds of community-based partners we work with, trust is paramount to our mission. When donors feel misled, it undermines confidence - not just in a single entity, but across the entire charitable ecosystem. This legislation helps preserve that trust by setting clear expectations and accountability standards.

Lastly, this bill does not discourage giving but strengthens it. Transparency builds confidence, and confident donors are more likely to continue supporting causes that matter to them.

At a time when many local families are struggling and nonprofits are working to meet growing needs, ensuring that charitable contributions are used as intended is critical.

Mahalo,

Michelle Bartell
President & CEO
Aloha United Way

March 20, 2026

House of Representatives Committee on Economic Development & Technology

Testimony for SB 2436, SD2, Relating to Charitable Solicitation
Hearing: March 20, 2026 @ 9:30am

Aloha Chair Ilagan, Vice Chair Hussey, 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 **SB 2436, SD 2**, which would enhance transparency in charitable fundraising and donations. We believe it's 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 previously stated 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, with respect to resources for enforcement of this Act, it is our understanding that the Department has a special fund which was created to support the enforcement of this Act, even as amended. To date, it appears that over 10,000 charities pay into this fund, which as reported in a 2024 audit, was in excess of \$5,000,000.

SB 2436, SD 2 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

DONATE STUFF. CREATE JOBS.



GOODWILLHAWAII.ORG

Goodwill Hawaii | 571 Quinn Lane Unit 1, Honolulu, HI 96813



of Hawaii

March 19, 2026

**Testimony for SB 2436, SD2, Relating to Charitable Solicitation
Hearing: March 20, 2026 @ 9:30am**

Aloha Chair Ilagan, Vice Chair Hussey, 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 for SB 2436, SD 2. 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.

SB 2436, SD 2 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,

A handwritten signature in black ink, appearing to read "MKawamura".

Maile Kawamura
President & CEO
National Kidney Foundation of Hawaii



**TESTIMONY ON SENATE BILL NO. 2436 SD 2
RELATING TO CHARITABLE SOLICITATION**

BEFORE THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT &
TECHNOLOGY

HEARING DATE: MARCH 20, 2026

TIME: 9:30 A.M

Chair Ilagan, Vice Chair Hussey, 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 Report¹ 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

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

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

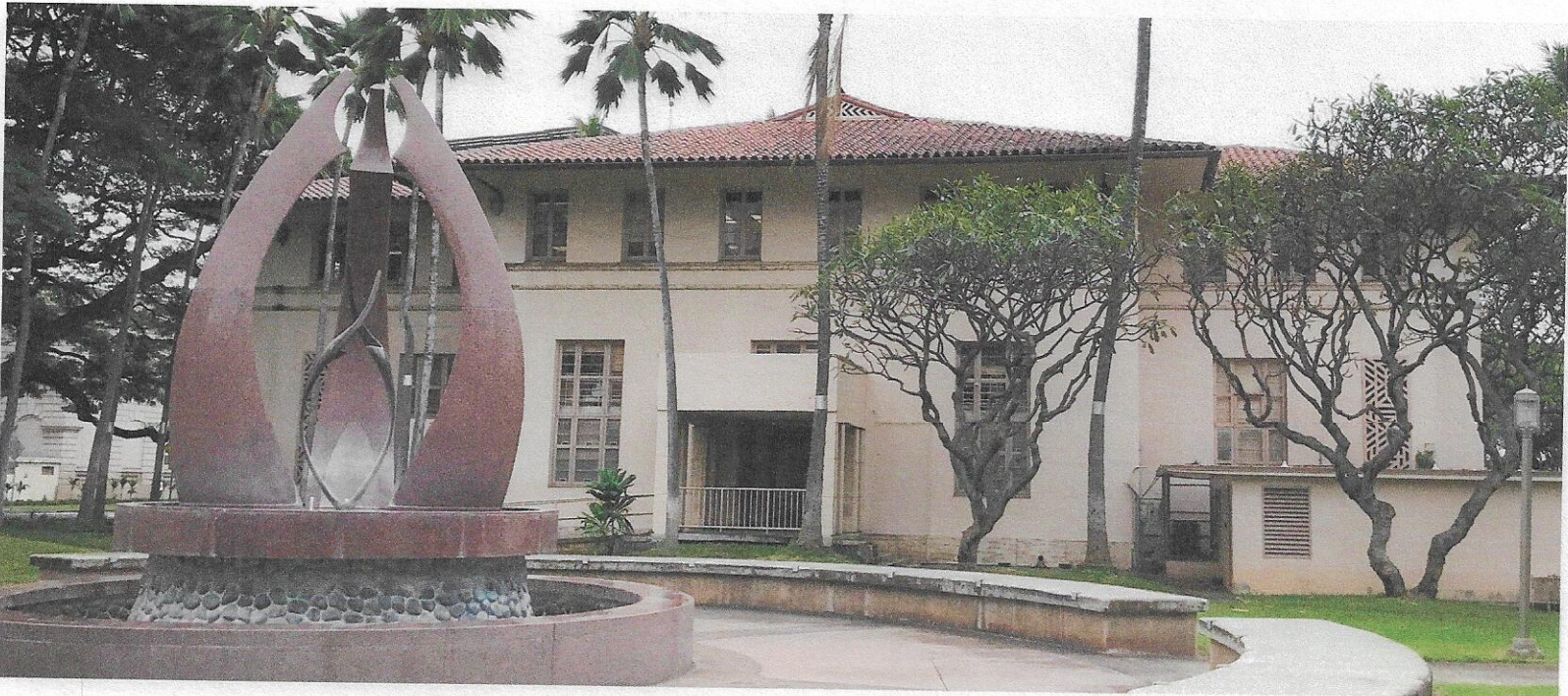
Thank you for considering my comments.

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

Financial Data for Fiscal Years 2020 – 2024 (in thousands)					
	FY2020	FY2021	FY2022	FY2023	FY2024
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
Ending Balance	\$2,062	\$2,772	\$3,593	\$3,962	\$5,008
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

Account Type	Special fund
How was the fund created?	Act 93 (SLH 2004)
Why was it created?	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.
Fund meets criteria?	This fund meets the criteria of a special fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	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.
Expenditures	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.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

House Committee on Economic Development and Technology
Testimony for SB 2436, SD2 Relating to Charitable Solicitation.
March 20, 2026, Room 423

Aloha Chair Ilagan, Vice Chair Hussey and Committee Members,

My name is Mike Onofrietti and I currently serve on the board of directors of Goodwill Hawai'i and was previously its board chair. I **strongly support** SB2436, SD2.

Donations of clothing, household goods and other items received by Goodwill Hawai'i directly connect to services provided to Hawai'i residents; the money made in Hawai'i stays in Hawai'i. The organization's programs benefit people with limited resources and opportunities, including people with disabilities, immigrants and ex-offenders seeking a fresh start after a period of incarceration. Goodwill Hawai'i does not utilize professional solicitors for donated goods. The collection bins and donation sites are paid for and operated directly by the organization, not by professional solicitors.

Goodwill Hawaii is not the only nonprofit organization that utilizes donated goods to achieve its charitable mission, and some of the others choose to utilize professional solicitors. A March 12, 2025 Honolulu Civil Beat article (<https://www.civilbeat.org/2025/03/seen-these-o%CA%BBahu-donation-sites-gifts-dont-go-where-you-think/>) highlighted the need for SB2436, SD2 by describing an entity operating in Hawai'i that employs "Charitable Donation" signs at drop-off sites. Consumers likely believe that all or most of the proceeds from their generous donations will be given to the nonprofit organization listed at the collection center. As stated in the article, this is far from the truth.

SB2436, SD2 does not prohibit for-profit donation collectors from operating in Hawai'i. It merely requires them to disclose how much of the money received from selling donated goods is given to the nonprofit entity. SB2436, SD2 also requires that professional solicitors must deposit funds owed to the nonprofit within 45 days of the sale of donated goods.

Because of the importance of this bill to Hawai'i's nonprofit community, I respectfully request that Section 6 be amended so that Sections 1, 2 and 4 of SB2436, SD2 take effect upon approval if Section 3's effective date is amended to January 1, 2027.

SB2436, SD2 will enhance transparency to help Hawai'i consumers choose among the entities accepting and reselling donated goods. This transparency will also assist nonprofit organizations selecting among multiple professional solicitors to understand the available options and get the best deal. This bill is a win-win for Hawaii's consumers and nonprofit sector. I encourage the committee to pass SB2436, SD2.

Thank you for the opportunity to testify.