



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2026**

ON THE FOLLOWING MEASURE:
S.B. NO. 2436, RELATING TO CHARITABLE SOLICITATION.

BEFORE THE:
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

DATE: Tuesday, February 3, 2026 **TIME:** 9:31 a.m.

LOCATION: State Capitol, Room 229

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Joshua J. Michaels Deputy Attorney General, or
Eunice Park, Charities Program Administrator

Chair Keohokalole and Members of the Committee:

The Department of the Attorney General (Department) offers the following comments.

This bill seeks to regulate professional solicitors that operate collection bins or receptacles to solicit and accept donations of non-perishable tangible property on behalf of charitable organizations, using a business model in which the donated property is processed or resold through for-profit retail or thrift stores.

The bill creates new financial reporting requirements for professional solicitors that sell donated or collected non-perishable tangible property and compensate charitable organizations based on the weight of donor contributions. Implementing these requirements would require modifications to the Department's current online financial reporting system, which currently does not include fields to capture this information. The bill would also increase the Department's enforcement responsibilities related to reviewing and monitoring compliance with the new reporting requirements. Should this Committee pass the bill, the Department respectfully requests additional time to implement the necessary online system changes by amending section 6 of this bill to state: "This Act shall take effect on January 1, 2027," as well as adding an appropriation to the Department for additional staffing and resources to address the anticipated increase in reporting review and enforcement workload.

Thank you for the opportunity to provide testimony.

February 1, 2026

Senate Committee on Commerce and Consumer Protection

Testimony for SB 2436, Relating to Charitable Solicitation.

Hearing: February 3, 2026, at 9:31 a.m.

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

LATE

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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, 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 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 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.

SB 2436 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

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1566 Wilder Avenue
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Senate Committee on Commerce and Consumer Protection

February 3, 2026, at 9:31AM

Room 229

Testimony in SUPPORT for SB 2436

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. The YWCA Oahu Benefit Sale is a crucial source of revenue, a lifeline for all our programming including Dress for Success. 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 SB2436, 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 helping 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.

Last weekend, we served nearly 400 high school students through our Bella Project. We provide them with prom dresses for free, which breaks down economic barriers for their families. 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. Over the last few years, we also shipped hundreds of dresses to Molokai and Lahaina. Just like Dress for Success, we cover 100% of the costs associated with this program.

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



Senate Committee on Commerce and Consumer Protection
February 3, 2026 at 9:31 AM
Room 229

Testimony in SUPPORT for SB2436

Aloha Chair Keohokalole, Vice Chair Fukunaga, 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 SB2436**, 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.

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. 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 Hawai'i.

Mahalo for the opportunity to submit testimony.



of Hawaii

House of Representatives Committee on Consumer Protection and Commerce

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

The National Kidney Foundation of Hawaii respectfully submits this written testimony in strong support of **HB 1810, HD1**.

The National Kidney Foundation of Hawaii is a 501(c)(3) nonprofit organization dedicated to improving the lives of people affected by kidney disease through education, early detection, advocacy, and patient-centered support services. For decades, we have served communities across Hawaii by providing free screenings, educational programs, and resources that help individuals and families manage kidney disease and live healthier lives. Each year, thousands of Hawai'i residents benefit from our programs and services.

We strongly support HB 1810, HD1 as an important and necessary step toward improving transparency and accountability in charitable fundraising. Trust is foundational to charitable giving, and this measure helps ensure that donors clearly understand how their contributions are being used and which organizations they are truly supporting.

The National Kidney Foundation of Hawaii relies heavily on charitable donations to fund our mission-driven programs and services. Contributions from the community directly support patient education, prevention efforts, and resources for individuals living with kidney disease. These donations are critical to our ability to meet the growing needs of our community.

Recently, Honolulu Civil Beat highlighted a concerning trend across O'ahu involving donation collection sites that appear to benefit nonprofit organizations but are, in fact, operated by for-profit entities. In some cases, donated goods are resold for profit, with only a very small portion—sometimes just pennies per pound—going to the charity named on the bin. Many donors are unaware of these arrangements and may reasonably believe their donation is tax-deductible or primarily supporting a charitable mission, when that may not be the case.

Without clearer guidelines and stronger oversight, these practices will continue to divert charitable contributions away from legitimate nonprofit organizations and into for-profit or potentially illegal operations. For organizations like ours, this diversion of resources directly impacts our ability to serve patients and families who depend on our programs. At a time when the demand for kidney health education and support services continues to grow, the loss of donor trust and funding is especially concerning.

In response to feedback from the Department of the Attorney General, the National Kidney Foundation of Hawaii is amenable to delaying the effective date of Section 3 of this measure until January 1, 2027. However, we respectfully request that the amended definitions and prohibited practices outlined in Sections 1, 2, and 4 and 5 take effect upon approval. It is also our understanding that the Department administers a special fund—supported by more than 10,000 charities statewide—that is intended to support enforcement of this Act.

HB 1810, HD1 is a targeted and reasonable measure. It applies to paid professional solicitors who are already subject to state standards and reporting requirements and does not impact grassroots or community-based fundraising efforts. This bill helps create a fairer, more transparent environment where donors can give with confidence and nonprofit organizations can operate on a level playing field.



of Hawaii

Mahalo for the opportunity to submit written testimony in support of this important measure and for your continued commitment to protecting Hawai'i's charitable community.

Respectfully,

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

Maile Kawamura
President & CEO
National Kidney Foundation of Hawaii

LATE

Senate Committee on Commerce and Consumer Protection
Testimony for SB 2436, Relating to Charitable Solicitation.
February 3, 2026, Room 415

LATE

Aloha Chair Keohokalole, Vice Chair Fukunaga 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.

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/sean-these-o%CA%BBahu-donation-sites-gifts-dont-go-where-you-think/>) highlighted the need for SB2436 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 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 also requires that professional solicitors must deposit funds owed to the nonprofit within 45 days of the sale of donated goods.

SB2436 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 consumers and Hawaii's nonprofit sector. I encourage the committee to pass SB2436.

Thank you for the opportunity to testify.