
A BILL FOR AN ACT

RELATING TO CHARITABLE SOLICITATION.

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

1 SECTION 1. The legislature finds that individuals who
2 donate tangible property using collection bins or receptacles
3 may reasonably believe that the tangible property is donated
4 directly to charitable organizations, and may also reasonably
5 believe they are entitled to a federal income tax credit
6 deduction for the value of the donated property.

7 The legislature further finds that in some cases, the
8 entities operating collection bins or receptacles on behalf of
9 the charity will pay the charity based on the weight of the
10 donated items received, which can be as low as two to five cents
11 per pound, and then resell the donated property at for-profit
12 retail locations. Most donors are not aware of these
13 arrangements between the collection bin operator and associated
14 charitable organizations.

15 The legislature also finds that existing law does not
16 adequately address this charitable solicitation business model.

17 The purpose of this Act is to:



1 (1) Establish prompt payment and financial reporting
2 requirements for professional solicitors that sell
3 donated or collected non-perishable tangible property
4 on behalf of charitable organizations; and

5 (2) Prohibit professional solicitors that sell donated or
6 collected non-perishable tangible property from
7 failing to prominently disclose certain information on
8 any collection bin, container, or receptacle used to
9 receive donated or collected non-perishable tangible
10 property or comply with prompt payment, financial
11 reporting, and contract term requirements.

12 SECTION 2. Section 467B-1, Hawaii Revised Statutes, is
13 amended as follows:

14 1. By amending the definition of "contribution" to read:
15 ""Contribution" means the promise or grant of any money or
16 property of any kind or value, including [~~the~~] non-perishable
17 tangible property, or a promise to pay[7] or pledge, except
18 payments by members of a charitable organization for membership
19 fees, dues, fines, or assessments, or for services rendered to
20 individual members, if membership in the charitable organization
21 confers a bona fide right, privilege, professional standing,



1 honor, or other direct benefit, other than the right to vote,
2 elect officers, or hold offices, and except money or property
3 received from any governmental authority, or a grant or subsidy
4 from any organization exempt from taxation under section
5 501(c)(3) of the Internal Revenue Code."

6 2. By amending the definition of "solicit" and
7 "solicitation" to read:

8 "Solicit" and "solicitation" mean a request directly or
9 indirectly for money, credit, property, financial assistance, or
10 thing of value on the plea or representation that the money,
11 credit, property, financial assistance, or thing of value, or
12 any portion thereof, will be used for a charitable purpose or to
13 benefit a charitable organization. [~~These terms shall include~~]

14 "Solicit" and "solicitation" includes the following:

- 15 (1) Any oral or written request;
- 16 (2) The making of any announcement to any organization for
- 17 the purpose of further dissemination, including
- 18 announcements to the press, over the radio or
- 19 television, or by telephone, telegraph, or facsimile,
- 20 concerning an appeal or campaign by or for any
- 21 charitable organization or purpose;



1 (3) The distribution, circulation, posting, or publishing
2 of any handbill, written advertisement, or other
3 publication that directly or by implication seeks to
4 obtain public support;

5 (4) Where the sale or offer or attempted sale, of any
6 advertisement, advertising space, book, card, tag,
7 coupon, device, magazine, membership, merchandise,
8 subscription, flower, ticket, candy, cookies, or other
9 tangible item in connection with which any appeal is
10 made for any charitable organization or purpose; or
11 where the name of any charitable organization is used
12 or referred to in any appeal as an inducement or
13 reason for making any sale; or where in connection
14 with any sale, any statement is made that the whole or
15 any part of the proceeds from any sale will be used
16 for any charitable purpose or to benefit any
17 charitable organization; and

18 (5) A request made through the use of receptacles for
19 contributions, including non-perishable tangible
20 property, such as honor boxes, vending machines,
21 wishing wells, contribution boxes, [~~and~~] novelty



1 machines, and collection bins or containers, where a
2 charitable appeal is used or referred to or implied as
3 an inducement or reason to contribute.

4 A solicitation occurs whether or not the person making the
5 solicitation receives any contribution. However, [~~the term~~
6 ~~shall~~] solicitation does not include the submission of a grant
7 or subsidy proposal or application to a governmental authority
8 or any organization exempt from taxation under section 501(c)(3)
9 of the Internal Revenue Code."

10 SECTION 3. Section 467B-2.5, Hawaii Revised Statutes, is
11 amended to read as follows:

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



1 commencement of the solicitation campaign and within ninety days
2 after the end of the solicitation campaign.

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



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

3 (c) A professional solicitor shall maintain during each
4 solicitation campaign and for [~~not~~] no less than three years
5 after the completion of that campaign the following records,
6 which shall be available for inspection upon demand by the
7 attorney general:

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

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

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

14 (4) The location and account number of each bank or other
15 financial institution account in which the
16 professional solicitor has deposited revenue from the
17 solicitation campaign.

18 (d) Any material change in any information filed with the
19 attorney general pursuant to this section shall be reported in
20 writing by the professional solicitor to the attorney general
21 [~~not~~] no more than seven days after the change occurs.



1 (e) Each contribution in the control or custody of the
2 professional solicitor in its entirety and within five days of
3 its receipt, shall be deposited in an account at a bank or other
4 federally insured financial institution, which shall be in the
5 name of the charitable organization. The charitable
6 organization shall maintain and administer the account and shall
7 have sole control of all withdrawals.

8 (f) If the professional solicitor, directly or indirectly,
9 sells donated or collected non-perishable tangible property, the
10 professional solicitor shall deposit the full amount owed to the
11 charitable organization by the professional solicitor in an
12 account at a bank or other federally insured financial
13 institution, which shall be in the name of that charitable
14 organization, within forty-five days after the sale.

15 (g) If the professional solicitor, directly or indirectly,
16 sells donated or collected non-perishable tangible property and
17 compensates a charitable organization based on the weight of
18 donor contributions, the professional solicitor's financial
19 report shall include:

20 (1) The amount paid by the professional solicitor to any
21 charitable organization during the applicable period;

- 1 (2) The gross weight of all contributions by donors to the
- 2 professional solicitor, on behalf of each respective
- 3 charitable organization, during the applicable period;
- 4 and
- 5 (3) The dollar amount of compensation per pound or other
- 6 weight measurement paid by the professional solicitor
- 7 to each charitable organization."

8 SECTION 4. Section 467B-9, Hawaii Revised Statutes, is
 9 amended to read as follows:

10 "**§467B-9 Prohibited acts.** (a) No person, for the purpose
 11 of soliciting contributions from persons in the State, shall use
 12 the name of any other person except that of an officer,
 13 director, or trustee of the charitable organization by or for
 14 which contributions are solicited, without the written consent
 15 of the other persons.

16 A person shall be deemed to have used the name of another
 17 person for the purpose of soliciting contributions if the latter
 18 person's name is listed on any stationery, advertisement,
 19 brochure, or correspondence in or by which a contribution is
 20 solicited by or on behalf of a charitable organization or the
 21 latter person's name is listed or referred to in connection with



1 a request for a contribution as one who has contributed to,
2 sponsored, or endorsed the charitable organization or its
3 activities.

4 (b) No charitable organization, professional solicitor,
5 professional fundraising counsel, commercial co-venturer,
6 charitable fundraising platform, or platform charity soliciting
7 contributions shall use a name, symbol, or statement so closely
8 related or similar to that used by another charitable
9 organization or governmental agency that the use thereof would
10 tend to confuse or mislead the public.

11 (c) No person, in connection with any solicitation or
12 sale, shall misrepresent or mislead anyone by any manner, means,
13 practice, or device whatsoever, to believe that the solicitation
14 or sale is being conducted on behalf of a charitable
15 organization or that the proceeds of the solicitation or sale
16 will be used for charitable purposes, if that is not the fact.

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



1 any charitable organization unless the charitable fundraising
2 platform or platform charity has obtained written consent
3 pursuant to section 467B-2.3(e) or:

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

13 (2) The professional solicitor and any person who, for
14 compensation, acts as an agent, employee, independent
15 contractor, or otherwise on behalf of the professional
16 solicitor, carries a copy of the authorization while
17 conducting solicitations, and exhibits it on request
18 to persons solicited or police officers or agents of
19 the department.

20 (e) No charitable organization, professional fundraising
21 counsel, professional solicitor, commercial co-venturer,



1 charitable fundraising platform, or platform charity subject to
2 this chapter shall use or exploit the fact of filing any
3 statement, report, professional fundraising counsel contracts,
4 written consents, professional solicitor contracts, charitable
5 fundraising platform contracts, or platform charity contracts
6 and written consents, or other documents or information required
7 to be filed under this chapter or with the department so as to
8 lead the public to believe that the filing in any manner
9 constitutes an endorsement or approval by the State of the
10 purposes or goals for the solicitation by the charitable
11 organization, professional fundraising counsel, professional
12 solicitor, commercial co-venturer, charitable fundraising
13 platform, or platform charity; provided that the use of the
14 following statement shall not be deemed a prohibited
15 exploitation: "Information regarding this organization has been
16 filed with the State of Hawaii department of the attorney
17 general. Filing does not imply endorsement or approval of the
18 organization or the public solicitation for contributions."

19 (f) No person, while soliciting, shall impede or obstruct,
20 with the intent to physically inconvenience the general public



1 or any member thereof in any public place or in any place open
2 to the public.

3 (g) No person shall submit for filing on behalf of any
4 charitable organization, professional fundraising counsel,
5 professional solicitor, commercial co-venturer, charitable
6 fundraising platform, or platform charity, any statement,
7 financial statement, report, attachment, or other information to
8 be filed with the department that contains information,
9 statements, or omissions that are false or misleading.

10 (h) No person shall solicit contributions from persons in
11 the State or otherwise operate in the State as a charitable
12 organization, an exempt charitable organization, professional
13 fundraising counsel, professional solicitor, commercial co-
14 venturer, charitable fundraising platform, or platform charity
15 unless the person has filed the information required by this
16 chapter with the department in a timely manner.

17 (i) No person shall aid, abet, or otherwise permit any
18 persons to solicit contributions from persons in the State
19 unless the person soliciting contributions has complied with the
20 requirements of this chapter.



1 (j) No person shall fail to file the information and
2 registration statement, annual or financial reports, and other
3 statements required by this chapter or fail to provide any
4 information demanded by the attorney general pursuant to this
5 chapter in a timely manner.

6 (k) No person shall employ in any solicitation or
7 collection of contributions for a charitable organization, any
8 device, scheme, or artifice to defraud or obtain money or
9 property by means of any false, deceptive, or misleading
10 pretense, representation, or promise.

11 (l) No person, in the course of any solicitation, shall
12 represent that funds collected will be used for a particular
13 charitable purpose, or particular charitable purposes, if the
14 funds solicited are not used for the represented purposes.

15 (m) No person shall receive compensation from a charitable
16 organization for obtaining moneys or bequests for that
17 charitable organization if that person has also received
18 compensation for advising the donor to make the donation;
19 provided that compensation may be received if the person obtains
20 the written consent of the donor to receive compensation from
21 the charitable organization.



1 (n) No person shall act as a professional solicitor,
2 charitable fundraising platform, or platform charity if the
3 person, any officer, any person with a controlling interest
4 therein, or any person the professional solicitor, charitable
5 fundraising platform, or platform charity employs, engages, or
6 procures to solicit for compensation, has been convicted by any
7 federal or state court of any felony, or of any misdemeanor
8 involving dishonesty or arising from the conduct of a
9 solicitation for a charitable organization or purpose.

10 (o) No charitable organization shall use the services of
11 an unregistered professional solicitor, professional fundraising
12 counsel, charitable fundraising platform, or platform charity.

13 (p) No professional solicitor that, directly or
14 indirectly, sells any donated or collected non-perishable
15 tangible property shall fail to:

16 (1) Prominently disclose in writing on any collection bin,
17 container, or receptacle used by the professional
18 solicitor to receive donated or collected non-
19 perishable tangible property that:

- 1 (A) The collection bin, container, or receptacle is
2 operated and used by a paid professional
3 solicitor;
- 4 (B) The professional solicitor resells the donated or
5 collected property at retail stores and that a
6 charitable organization is either paid a
7 percentage of the sale proceeds or an amount
8 based on the weight of the donated or collected
9 non-perishable tangible property, whichever is
10 applicable;
- 11 (C) Donated or collected non-perishable tangible
12 property is not a tax-deductible charitable
13 contribution under the Internal Revenue Code of
14 1986, as amended, if applicable;
- 15 (D) The professional solicitor is registered with the
16 attorney general; and
- 17 (E) The professional solicitor's registration form
18 and contracts with the charitable organization
19 benefited by the collection are available for
20 public inspection and copying;



- 1 (2) Provide complete and timely payment of the amount owed
- 2 to a charitable organization within forty-five days
- 3 after the sale of non-perishable tangible property;
- 4 (3) Provide complete and timely financial reports to the
- 5 charitable organization and the attorney general, as
- 6 required by this chapter; and
- 7 (4) Include in the contract with the charitable
- 8 organization the terms required by section 467B-12.5."

9 SECTION 5. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 6. This Act shall take effect on July 1, 2026;
12 provided that section 3 shall take effect on January 1, 2027.

Report Title:

Charitable Solicitation; Professional Solicitors; Non-Perishable Tangible Property; Donations; Payment; Financial Reports; Disclosures; Signage

Description:

Beginning 1/1/2027, establishes prompt payment and financial reporting requirements for professional solicitors that sell donated or collected non-perishable tangible property on behalf of charitable organizations. Prohibits professional solicitors that sell donated or collected non-perishable tangible property from failing to prominently disclose certain information on any collection bin, container, or receptacle used to receive donated or collected non-perishable tangible property or comply with prompt payment, financial reporting, and contract term requirements. (CD1)

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