

STAND. COM. REP. NO. 437-08

Honolulu, Hawaii

Feb 14, 2008

RE: H.B. No. 2308  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and  
Judiciary, to which was referred H.B. No. 2308 entitled:

"A BILL FOR AN ACT RELATING TO CHARITABLE ORGANIZATIONS,"

beg leave to report as follows:

The purpose of this bill is to enhance consumer awareness in  
charitable giving by requiring charitable organizations that  
intend to solicit funds to register with and submit annual  
financial statements to the Department of the Attorney General  
(AG).

The Office of Hawaiian Affairs testified in support of this  
bill. The Hawaii Alliance of Nonprofit Organizations opposed this  
measure.

Registration and financial reporting requirements for  
charitable organizations were repealed by Act 120, Session Laws of  
Hawaii 1996. Your Committees find that the reenactment of such  
requirements will help consumers obtain information about a  
charity before making donations and provide useful information to  
law enforcement in their oversight of these organizations.

Your Committees have amended this bill by replacing its  
entire contents with similar provisions that, among other things:

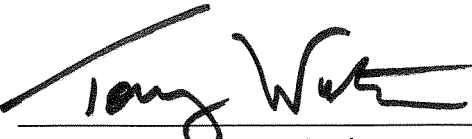
HB2308 HD1 HSCR CPC-JUD HMS 2008-1971




- (1) Require charitable organizations, with certain exemptions, to register and file annual financial reports with the AG;
- (2) Require audited financial statements for charities with over \$500,000 in gross revenue for the year covered by the annual financial report;
- (3) Establish registration fees based upon the charitable organization's income;
- (4) Require professional solicitors to report national and local gross revenues in financial reports to the AG;
- (5) Prohibit charities from using the services of an unregistered professional solicitor or professional fundraising counsel;
- (6) Authorizes the AG to issue subpoenas to investigate suspected violations and seek injunctions to restrain violations; and
- (7) Repeal the bonding requirement for professional fundraising counsel.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2308, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2308, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committees on Consumer  
Protection & Commerce and  
Judiciary,

  
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TOMMY WATERS, Chair

  
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ROBERT N. HERKES, Chair





