Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii  

Sir:  

Your Committee on Ways and Means, to which was referred S.B. No. 2812, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to amend the charitable solicitation and registration law.

Specifically, this measure:

(1) Exempts individuals who prepare grant or subsidy applications from the charitable solicitation and registration requirements;

(2) Requires professional solicitors to make various disclosures at the start of any contribution solicitation;

(3) Authorizes the Attorney General to require that professional solicitors submit their end of solicitation campaign financial reports electronically;

(4) Imposes fees for reports not filed in a timely manner;

(5) Amends late filing penalties labeled as "fines" to "late filing fees"; and
(6) Expands the charitable organizations that are exempt from registration and financial disclosure requirements.

Your Committee received written comments in support of this measure from the Department of the Attorney General and Aloha United Way.

Your Committee finds that an investigation related to the Hawaii Police Athletic Federation charitable organization found that a professional solicitor led donors to believe that the charitable organization had contacted the prospective donors, instead of a solicitor paid to obtain donations. This led to donor confusion, while in fact, the professional solicitor had retained eighty percent of the donations. Your Committee believes that the amendments made by this measure will require greater transparency by professional solicitors and help to reduce donor confusion and deception.

Your Committee has amended this measure by:

(1) Adding a savings clause to ensure that the changes made by the measure do not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date; and

(2) Changing the effective date to January 1, 2017, to provide professional solicitors, charitable organizations, and other individuals and organizations with adequate notice of the amendments made by this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2812, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2812, S.D. 2.
Respectfully submitted on behalf of the members of the Committee on Ways and Means,

JILL N. TOKUDA, Chair
The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:

The Recommendation is:

- [x] Pass, with amendments
- [ ] Pass, unamended
- [ ] Hold
- [ ] Recommit

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<tr>
<th>Members</th>
<th>Aye</th>
<th>Aye (WR)</th>
<th>Nay</th>
<th>Excused</th>
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<td>TOKUDA, Jill N. (C)</td>
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<td>DELA CRUZ, Donovan M. (VC)</td>
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<td>CHUN OAKLAND, Suzanne</td>
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<td>ENGLISH, J. Kalani</td>
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<td>GALUTERIA, Brickwood</td>
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<td>HARIMOTO, Breene</td>
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<td>INOUYE, Lorraine R.</td>
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<td>RIVIERE, Gil</td>
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<td>TANIGUCHI, Brian T.</td>
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<td>WAKAI, Glenn</td>
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<td>SLOM, Sam</td>
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**TOTAL**

- Aye: 8
- Nay: 3

Recommendation:
- [x] Adopted
- [ ] Not Adopted

Chair’s or Designee’s Signature: [Signature]

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*Only one measure per Record of Votes*