



HB 184
House State & Local Government Committee
10.31.2023

Chair John, Vice Chair Dean, Ranking Member Brennan, and members of the House State and Local Government Committee, thank you for the opportunity to provide proponent testimony on HB 184. This bill seeks to update the statute governing charitable solicitors in Ohio.

Charitable solicitors serve in an important role which requires regular review to ensure they operate in an efficient, and transparent manner. When solicitation campaigns run successfully, all parties, including the soliciting body, the donors, and the regulator, benefit.

The Attorney General's Charitable Law Section is responsible for protecting and regulating the charitable sector. In recent years, professionals in the office's Charitable Law section have raised concerns over clarity of terminology in the Ohio Revised Code and identified opportunities for improved transparency, along with consumer protection in the same stride.

House Bill 184 addresses these concerns and seizes the opportunity to improve by creating and defining the terms "collection receptable" and "solicitation campaign." The bill further sets a four-year limit on the duration of a solicitation campaign and institutes a fee from professional solicitors due to the attorney general upon filing a solicitation notice to the attorney general.

Providing a Path Forward for Charitable Collection Receptacles

The bill lays out minimum requirements for the information displayed on a collection receptable for the benefit of donors. By way of background, the collection receptacles in question under this bill are the stand-alone bins you see across your districts soliciting used clothing and other household items. We have been made aware of for-profit collection receptacles which look nearly identical to their non-profit counterparts. This is deceptive to the public, who might otherwise think twice about donating items to a for-profit entity when they intended their donation for a charitable purpose. Accordingly, under the bill, collection receptables would be required to conspicuously note information on the beneficiary organization that will detail where the goods being donated end up and whether a professional solicitor has been utilized in this effort. The receptable must also display signage directing the reader on how to access the financial agreement between the solicitor and the charity.

A regulating body such as the AGO Charitable Law Section can only operate in an effective manner if it is allowed access to basic information about the solicitors it regulates. This legislation requires professional solicitors to disclose the locations of their collection receptacles in addition to the total weight and value of items collected.

Improving Transparency for Charities and the Public

House Bill 184 also makes needed changes to the law governing phone calls made to solicit donations. Under current law, charitable solicitors may utilize "robo-calling" technology to solicit donations from the public. Under House Bill 184, the use of soundboard or "robo-calling" technology for soliciting charitable



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donations is strictly prohibited. Additionally, the bill requires professional solicitors record their solicitation calls and maintain those recordings for three years following the end of the solicitation campaign. The bill explicitly permits the Attorney General to examine those recordings, as well as pitch sheets, and solicitation scripts as part of an investigation over an alleged violation. The bill permits the office to publish certain information due to the attorney general under existing law.

The bill further clarifies that the contractual agreement between a solicitor and a charity must provide a clear statement on the benefit each party will receive from the arrangement. The intent behind this provision is due to the fact that a majority of solicitors operate as marketers of charities, rather than fundraisers. By requiring a solicitor to clearly state the benefit to be delivered to the charity, our office, along with the charity will have clear expectations of what is being asked of the charitable solicitor, and what they are obligated to deliver to their clients. The allowable contractual terms are further altered by permitting dollars per actual weight of goods collected, rather than demonstrating this via a percentage of gross revenue from the campaign. This type of calculation would be permitted for calculating the compensation for a professional solicitor, or for determining the percent of gross revenue going to the charity.

Regardless of the amount or value of goods donated, contributing to a charitable cause is a selfless act that is to be commended. Generous donors deserve the opportunity to see behind the curtain, so that they may rest assured that their donation is bound for the beneficiaries they intended. House Bill 184 protects Ohioans by closing loopholes that might otherwise allow unscrupulous practices to occur, thus fostering a safe and transparent environment for donors, and the causes to which they contribute.

Chair John, members of the committees, thank you again for the opportunity to present proponent testimony on House Bill 184, and thank you to the sponsors, Representatives Bird and Brennan for introducing the legislation. I would be glad to take questions at this time.