

REVENUE: No revenue impact
FISCAL: Fiscal statement issued

Action: Do Pass
Vote: 8 - 0 - 1
Yeas: Barker, Bonamici, Cameron, Komp, Krieger, Read, Whisnant, Macpherson
Nays: 0
Exc.: Flores
Prepared By: Matt Kalmanson, Counsel
Meeting Dates: 5/16

WHAT THE MEASURE DOES: Repeals provision establishing the amount of fees that a charitable organization must pay when it files reports with the Department of Justice (“Department”). Requires Department to establish a graduated fee schedule – not less than \$10 and not more than \$400 – based on a charitable organization’s receipts and income. Requires Department to set a filing fee based on a percentage of organization’s fund balance, of not more than .02 percent of the fund balance or \$2,000, whichever is less. Requires Department to ensure that fees collected are sufficient to pay, and may only be used to pay, Department’s expenses in administering Oregon’s Charitable Trust and Corporation Act and Charitable Solicitations Act. Requires charitable organization to pay delinquency fee, set by the Department by rule, if they fail to file required reports or pay filing fees. Permits Department to impose a civil penalty of up to \$1,000 on a charitable organization if it fails to file a report or pay a fee within 90 days of receiving notice of a delinquency. Permits Department to order a charitable organization to cease soliciting contributions until the organization has filed a report or paid a fee.

ISSUES DISCUSSED:

- Duties of the Charitable Activities Section of the Oregon Department of Justice
- Fees paid by charitable organizations under Oregon law
- Relationship of current fees to fee caps in bill
- Need for fee increases and improved enforcement mechanisms

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Charitable organizations holding assets and/or soliciting funds in Oregon must register and file periodic financial reports with the Department of Justice’s Charitable Activities Section. The Section’s expenses are paid from the annual reporting fees, which are based on: (a) the amount of income and receipts collected during the time covered by the report, and (b) the organization’s fund balance at the close of the calendar or fiscal year. The Section may also require payment of a “penalty charge” of \$20 for failing to file a report or pay a fee, up to a possible \$300 if the organization fails to correct the delinquency. These fees have not increased in over 20 years. SB 109 A would allow the Attorney General to set new filing and delinquency fees by rule. The filing fee based on income may be no more than \$400, and the fund balance fee may be no more than \$2,000, both amounts being double the current maximums in ORS 128.670. These fees must be used – and may only be used – to administer the Section’s activities. In addition, SB 109 A would allow the Attorney General to set new penalties, including a civil penalty of up to \$1,000, or an order to cease soliciting contributions.