

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 4 - 0 - 1

Yeas: Beyer, Prozanski, Walker, Burdick

Nays: 0

Exc.: Kruse

Prepared By: Matt Kalmanson, Counsel

Meeting Dates: 2/7, 3/27

WHAT THE MEASURE DOES: Repeals provision that establishes the amount of fees that a charitable organization must pay when it files a report with the Attorney General (AG) regarding the assets it holds for charitable purposes. Requires the Department of Justice (DOJ) to set new filing fees, based on an organization's income, receipts and fund balance, while ensuring that the aggregated amount of fees received is sufficient to pay DOJ's expenses in administering Oregon's Charitable Trust and Corporation Act, and the Charitable Solicitations Act. Requires charitable organizations to pay a delinquency fee, also set by the DOJ, if they fail to file the report or pay the filing fees. Permits DOJ 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 the delinquency. Permits the DOJ to order a charitable organization to cease soliciting contributions until the organization has filed the report or paid the fee. Repeals provision permitting the AG to give written warnings to charitable organizations of delinquencies. Declares an emergency and takes effect upon passage.

ISSUES DISCUSSED:

- The Charitable Activities Section of the Oregon Department of Justice and its funding sources
- Fees paid by charitable organizations under Oregon law
- Need for fee increases, and ways to structure fees

EFFECT OF COMMITTEE AMENDMENT: Deletes provisions in bill regarding filing fees. Requires DOJ to establish a graduated fee schedule based on charitable organization's receipts and income. Requires that the filing fee be no less than \$10 and no more than \$400. Requires DOJ to set a filing fee that is based on a percentage of organization's fund balance at the close of the organization's fiscal or calendar year, at a rate of not more than .02 percent of the fund balance or \$2,000, whichever is less. Requires department to ensure that aggregate amount of fees paid is sufficient to pay department's expenses in administering Oregon's Charitable Trust and Corporation Act, and the Charitable Solicitations Act. Establishes that if DOJ has not adopted rules by January 1, 2008, then charitable organizations must pay filing and delinquency fees, if applicable, in accordance with provisions in effect on December 31, 2007. Requires DOJ to adopt final rules on filing and delinquency fees by December 31, 2008. Establishes that filing fees and delinquency fees may be used only to administer the Charitable Trust and Corporation Act and the Charitable Solicitations Act.

BACKGROUND: The AG, through DOJ's Charitable Activities Section, requires charitable organizations holding assets and/or soliciting funds in Oregon to register and file periodic financial reports. The Section's expenses are paid from the annual reporting fees, which have not increased in over 20 years. SB 109 allows the AG to set the filing and delinquency fees by rule to ensure that the program has adequate funding and that the penalties promote timely compliance.

4/3/2007 8:41:00 AM

This summary has not been adopted or officially endorsed by action of the committee.