

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	8 - 0 - 1
Yeas:	Barton, Hicks, Krieger, Lininger, Olson, Tomei, Williamson, Barker
Nays:	0
Exc.:	Cameron
Prepared By:	Channa Newell, Counsel
Meeting Dates:	2/4

WHAT THE MEASURE DOES: Allows Attorney General to deny, revoke, or suspend registration of charitable organization that willfully fails to file registration statement or annual report, makes misleading or false statements on filing documents, or operates in violation of Charitable Trust and Corporation Act. Requires written notice of basis for denial, revocation, or suspension of registration, with period for correction. Allows Attorney General to impose fine and order charitable organization to cease soliciting or accepting charitable donations. Defines “charitable fiduciary.” Changes periodic reporting requirement to annual reporting requirement.

ISSUES DISCUSSED:

- Need for Attorney General to have enforcement mechanism
- Effects on small charities
- Scope of charitable organizations affected by measure
- Effects of amendment
- Prior legislation on charitable organizations

EFFECT OF COMMITTEE AMENDMENT: Removes violation of Charitable Trust and Corporations Act from Unlawful Trade Practices Act. Removes existing civil penalty authority for failure to register or file required report. Defines “willfully.” Provides language clarifications.

BACKGROUND: In the 2013, the Legislature enacted House Bill 2060, giving the Attorney General the authority to issue an order to disqualify a charitable organization from receiving tax-deductible contributions if the Attorney General found that 30 percent or less of the charitable organization’s total annual expenses are spent on program services.

House Bill 4081A provides further oversight and enforcement tools to the Attorney General by allowing suspension, revocation, or denial of the registration of a charitable organization that willfully fails to provide required information or provides misleading or false statements on registration documents or annual reports.