

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

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**Action:** Do Pass the A-Engrossed Measure  
**Vote:** 4 - 1 - 0  
**Yeas:** Dembrow, Kruse, Roblan, Prozanski  
**Nays:** Close  
**Exc.:** 0  
**Prepared By:** Channa Newell, Counsel  
**Meeting Dates:** 2/18

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**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:**

- Lack of enforcement tools against bad-acting organizations
- Definition of “willfully”
- Investigative news report on charitable organizations
- Doubling of potential civil penalty
- Enforcement mechanisms in measure

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** In 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 4081-A 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.