



General Assembly

January Session, 2005

Raised Bill No. 946

LCO No. 2905

* _____SB00946GL_____022305_____*

Referred to Committee on General Law

Introduced by:
(GL)

AN ACT CONCERNING THE SOLICITATION OF CHARITABLE FUNDS ACT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 21a-190b of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective from passage*):

3 (a) Every charitable organization not exempted by section 21a-190d
4 shall annually register with the department prior to conducting any
5 solicitation or prior to having any solicitation conducted on its behalf
6 by others. Application for registration shall be made on forms
7 prescribed by the department and shall include payment of a fee of
8 [twenty] twenty-five dollars. Such application shall include: (1) A
9 registration statement, (2) an annual financial report for such
10 organization for the preceding fiscal year that is prepared in
11 accordance with the provisions of subsection (a) of section 21a-190c, as
12 amended by this act, and (3) an audited financial statement as required
13 by subsection (b) of said section 21a-190c. Two authorized officers of
14 the organization shall sign the registration [form] statement and shall
15 certify that the statements therein are true and correct to the best of
16 their knowledge. A chapter, branch or affiliate in this state of a

17 registered parent organization shall not be required to register
18 provided the [principal office of the] parent organization [is located in
19 this state and provided the parent organization] files a consolidated
20 annual [report] registration for itself and its chapter, branch or affiliate.
21 Each charitable organization shall annually renew its registration not
22 later than five months after the end of such organization's fiscal year.

23 (b) In the event the department determines that the application for
24 registration does not contain the documents required in subsection (a)
25 of this section or is not in accordance with the regulations adopted by
26 the commissioner pursuant to this chapter, the department shall notify
27 the charitable organization, in writing, of such noncompliance not later
28 than ten days after the department's receipt of such application for
29 registration. An application for registration shall be deemed to be
30 approved if the charitable organization is not notified of
31 noncompliance by the department not later than ten days after the
32 department's receipt of the application for registration. Any such
33 charitable organization may request a hearing on its noncompliant
34 status not later than seven days after receipt of such noncompliance
35 notice. Such hearing shall be held not later than seven days after the
36 department's receipt of such request and a determination as to the
37 organization's compliance status shall be rendered no later than three
38 days after such hearing.

39 (c) In addition to the application fee required pursuant to subsection
40 (a) of this section, a charitable organization shall pay a late fee of
41 twenty-five dollars for each month, or part thereof, that such
42 application for registration is late, except that such late fee shall not
43 include any month during which an extension of time was granted
44 pursuant to subsection (d) of this section.

45 (d) The commissioner may, upon written request and for good
46 cause shown, grant an extension of time, not to exceed one hundred
47 eighty days, for the filing of a charitable organization's annual financial
48 report. Any previous registration shall remain in effect during any

49 such extension period.

50 (e) In the event that a charitable organization fails to register in
51 accordance with the provisions of this section, such organization shall
52 include in its application for registration an annual financial report for
53 each of the previous years in which such organization was required to
54 file an application for registration or an annual financial report.

55 (f) Any charitable organization registered in accordance with this
56 section on September 30, 2005, shall be deemed to be registered
57 pursuant to this section until the last day of the fifth month after the
58 close of the fiscal year in effect on September 30, 2005.

59 Sec. 2. Section 21a-190c of the general statutes is repealed and the
60 following is substituted in lieu thereof (*Effective from passage*):

61 (a) Every charitable organization required to register pursuant to
62 section 21a-190b, as amended by this act, shall annually file with the
63 department, [a report] as part of such organization's application for
64 registration, a financial report for its most recently completed fiscal
65 year, which report shall include a financial statement and such other
66 information as the commissioner may require [. Such charitable
67 organization shall file such report not more than five months following
68 the close of its fiscal year, which report shall be accompanied by a fee
69 of twenty-five dollars] and shall be signed by two authorized officers
70 of the organization, one of whom shall be the chief fiscal officer of the
71 organization. Such officers shall certify that such report is true and
72 correct to the best of their knowledge. The commissioner shall
73 prescribe the form of the report and may prescribe standards for its
74 completion. The commissioner may accept, under such conditions as
75 said commissioner may prescribe, a copy or duplicate original of
76 financial statements, reports or returns filed by the charitable
77 organization with the Internal Revenue Service or another state having
78 requirements similar to the provisions of sections 21a-190a to 21a-190l,
79 inclusive, as amended by this act.

80 (b) A charitable organization with gross revenue in excess of two
81 hundred thousand dollars in the year covered by the report shall
82 include with its financial statement an audit report of a certified public
83 accountant. For purposes of this section, gross revenue shall not
84 include grants or fees from government agencies or the revenue
85 derived from funds held in trust for the benefit of the organization.

86 [(c) The commissioner may, upon written request and for good
87 cause shown, grant an extension of time, not to exceed three months,
88 for the filing of such report.

89 (d) An additional late filing fee of twenty-five dollars shall
90 accompany any report which is not filed in a timely manner.]

91 [(e)] (c) Every charitable organization required to file an annual
92 report and every charitable organization subject to the provisions of
93 subdivision (6) of section 21a-190d shall keep true fiscal records which
94 shall be available to the department for inspection upon request. Such
95 organization shall retain such records for no less than three years after
96 the end of the fiscal year to which they relate.

97 Sec. 3. Section 21a-190h of the general statutes is repealed and the
98 following is substituted in lieu thereof (*Effective from passage*):

99 It shall be a violation of sections 21a-190a to 21a-190l, inclusive, as
100 amended by this act, for: (1) Any person to misrepresent the purpose
101 or beneficiary of a solicitation; (2) any person to misrepresent the
102 purpose or nature of a charitable organization; (3) any charitable
103 organization or any person engaged in the conduct of the affairs of a
104 charitable organization to engage in any financial transaction which is
105 not related to the accomplishment of its charitable purpose, or which
106 jeopardizes or interferes with the ability of the charitable organization
107 to accomplish [its] such organization's charitable purpose; (4) any
108 charitable organization to expend an unreasonable amount of money
109 for solicitation or management; (5) any person to use or exploit the fact
110 of registration so as to lead the public to believe that such registration

111 constitutes an endorsement or approval by the state; (6) any person to
112 misrepresent that any other person sponsors or endorses a solicitation;
113 (7) any person to use the name of a charitable organization, or to
114 display any emblem, device or printed matter belonging to or
115 associated with a charitable organization without the express written
116 permission of the charitable organization; (8) any charitable
117 organization to use the name which is the same as or confusingly
118 similar to the name of another charitable organization unless the latter
119 organization shall consent in writing to its use; (9) any charitable
120 organization to represent itself as being associated with another
121 charitable organization without the express written acknowledgment
122 and endorsement of such other charitable organization; (10) any
123 person to make any false or misleading statement on any document
124 required by sections 21a-190a to 21a-190l, inclusive, as amended by
125 this act; (11) any person to fail to comply with the requirements of
126 sections 21a-190b to 21a-190g, inclusive, as amended by this act; (12)
127 any charitable organization to use the services of an unregistered fund-
128 raising counsel or paid solicitor; (13) any fund-raising counsel or paid
129 solicitor to perform any services on behalf of an unregistered
130 charitable organization; or (14) any person to appropriate any property
131 of a charitable organization for a private use.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	21a-190b
Sec. 2	<i>from passage</i>	21a-190c
Sec. 3	<i>from passage</i>	21a-190h

GL *Joint Favorable*