
OLR Bill Analysis

HB 6217

AN ACT INCREASING TRANSPARENCY FOR CHARITABLE ORGANIZATIONS.

SUMMARY

This bill requires Department of Consumer Protection (DCP)-registered charitable organizations, when soliciting, to disclose (1) their registration number and (2) the percentage of funds they collected in the prior calendar year that directly funded their charitable purpose (see BACKGROUND). This information must also be provided upon anyone's request.

The bill also requires registered charitable organizations to conspicuously display their registration number on printed advertisements.

By law, unchanged by the bill, charitable organizations (whether a person or a legal entity) receiving at least \$50,000 in donations annually generally must register with DCP. The law exempts certain organizations from registration, such as the following:

1. duly organized religious corporations, institutions, or societies;
2. parent-teacher associations;
3. educational institutions meeting certain curricula requirements;
4. licensed nonprofit hospitals;
5. domestic governmental units or instrumentalities; and
6. charitable organizations that normally receive less than \$50,000 in contributions annually, and do not pay anyone to primarily solicit (CGS § 21a-190d).

The bill also makes technical changes.

EFFECTIVE DATE: January 1, 2022

BACKGROUND

Charitable Purpose

By law, “charitable purpose” means any benevolent, educational, philanthropic, humane, scientific, patriotic, social welfare or advocacy, public health, environmental conservation, civic, or eleemosynary objective.

Solicitation

By law, “solicitation” is defined broadly and includes a direct or indirect request to benefit a charitable organization, for money, credit, property, financial assistance, or other thing of any kind or value. It includes oral and written requests (e.g., by newspaper, television, telephone, or handbill) and offerings of merchandise, subscriptions, memberships, candy, flowers, or other tangible items on the premise that some of the proceeds will be used for a charitable purpose.

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 19 Nay 0 (03/09/2021)