



General Assembly

January Session, 2021

Committee Bill No. 6217

LCO No. 4314



Referred to Committee on GENERAL LAW

Introduced by:
(GL)

AN ACT INCREASING TRANSPARENCY FOR CHARITABLE ORGANIZATIONS.

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

1 Section 1. Section 21a-190a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective January 1, 2022*):

3 As used in sections 21a-190a to 21a-190l, inclusive:

4 (1) "Charitable organization" means any person who is or holds
5 himself or herself out to be established for any benevolent, educational,
6 philanthropic, humane, scientific, patriotic, social welfare or advocacy,
7 public health, environmental conservation, civic or eleemosynary
8 purpose, or for the benefit of law enforcement officers, firefighters or
9 other persons who protect the public safety.

10 (2) "Person" means an individual, corporation, limited liability
11 company, association, partnership, trust, foundation or any other entity
12 however styled.

13 (3) "Solicit" and "solicitation" mean any request directly or indirectly

14 for money, credit, property, financial assistance or other thing of any
15 kind or value on the plea or representation that such money, credit,
16 property, financial assistance or other thing of any kind or value is to be
17 used for a charitable purpose or benefit a charitable organization.
18 "Solicit" and "solicitation" [shall include] includes, but [shall is not [be]
19 limited to, the following methods of requesting or securing such money,
20 credit, property, financial assistance or other thing of value: (A) Any oral
21 or written request; (B) any announcement to the press, over the radio or
22 television or by telephone or telegraph concerning an appeal or
23 campaign by or for any charitable organization or purpose; (C) the
24 distribution, circulation, posting or publishing of any handbill, written
25 advertisement or other publication; (D) the sale of, offer or attempt to
26 sell, any advertisement, advertising space, book, card, tag, coupon,
27 device, magazine, membership, merchandise, subscription, flower,
28 ticket, candy, cookies or other tangible item in connection with an
29 appeal made for any charitable organization or purpose, or where the
30 name of any charitable organization is used or referred to in any such
31 appeal as an inducement or reason for making any such sale, or when
32 or where in connection with any such sale, any statement is made that
33 the whole or any part of the proceeds from any such sale is to be used
34 for any charitable purpose or benefit any charitable organization. A
35 solicitation shall be deemed to have taken place whether or not the
36 person making the same receives any contribution.

37 (4) "Charitable purpose" means any benevolent, educational,
38 philanthropic, humane, scientific, patriotic, social welfare or advocacy,
39 public health, environmental conservation, civic or eleemosynary
40 objective.

41 (5) "Contribution" means the grant, promise or pledge of money,
42 credit, property, financial assistance or other thing of any kind or value
43 in response to a solicitation. "Contribution" [shall] does not include bona
44 fide fees, dues or assessments paid by members, provided membership
45 is not conferred solely as consideration for making a contribution in
46 response to a solicitation.

47 (6) "Fund-raising counsel" means a person who for compensation
48 plans, manages, advises or consults with respect to the solicitation in
49 this state of contributions by a charitable organization, but who does not
50 solicit contributions and who does not directly or indirectly employ,
51 procure or engage any person compensated to solicit contributions. A
52 bona fide nontemporary salaried officer or employee of a charitable
53 organization shall not be deemed to be a fund-raising counsel.

54 (7) "Paid solicitor" means a person who for any consideration, other
55 than any nonmonetary gift of nominal value awarded to a volunteer
56 solicitor as an incentive or token of appreciation, performs for a
57 charitable organization any service in connection with which
58 contributions are solicited by such person or by any person he directly
59 or indirectly employs, procures or engages to solicit for such
60 compensation. A bona fide nontemporary salaried officer or employee
61 of a charitable organization shall not be deemed to be a paid solicitor.

62 (8) "Commercial coventurer" means a person who for profit is
63 regularly and primarily engaged in trade or commerce in this state other
64 than in connection with the raising of funds for charitable organizations
65 or purposes and who conducts a charitable sales promotion.

66 (9) "Charitable sales promotion" means an advertising or sales
67 campaign, conducted by a commercial coventurer, which represents
68 that the purchase or use of goods or services offered by the commercial
69 coventurer are to benefit a charitable organization or purpose.

70 (10) "Department" means the Department of Consumer Protection.

71 (11) "Commissioner" means the Commissioner of Consumer
72 Protection.

73 (12) "Membership" means that which entitles a person to the
74 privileges, professional standing, honors or other direct benefit of the
75 organization and the rights to vote, elect officers and hold office in the
76 organization.

77 (13) "Parent organization" means that part of a charitable
78 organization which supervises and exercises control over the
79 solicitation and expenditure activities of one or more chapters, branches
80 or affiliates.

81 (14) "Gross revenue" means income of any kind from all sources,
82 without deduction of any costs or expenses, including all amounts
83 received as the result of any solicitation by a paid solicitor.

84 Sec. 2. Section 21a-190b of the general statutes is repealed and the
85 following is substituted in lieu thereof (*Effective January 1, 2022*):

86 (a) Every charitable organization not exempted by section 21a-190d
87 shall annually register with the department prior to conducting any
88 solicitation or prior to having any solicitation conducted on its behalf by
89 others. Application for registration shall be in a form prescribed by the
90 commissioner and shall include a nonrefundable application fee of fifty
91 dollars. Such application shall include: (1) A registration statement, (2)
92 an annual financial report for such organization for the preceding fiscal
93 year that is prepared in accordance with the provisions of subsection (a)
94 of section 21a-190c, and (3) an audited financial statement as required
95 by subsection (b) of section 21a-190c. An authorized officer of the
96 organization shall certify that the statements therein are true and correct
97 to the best of their knowledge. A chapter, branch or affiliate in this state
98 of a registered parent organization shall not be required to register
99 provided the parent organization files a consolidated annual
100 registration for itself and its chapter, branch or affiliate. Each charitable
101 organization shall annually renew its registration not later than eleven
102 months after the end of such organization's fiscal year.

103 (b) In the event the department determines that the application for
104 registration does not contain the documents required in subsection (a)
105 of this section or is not in accordance with the regulations adopted by
106 the commissioner pursuant to this chapter, the department shall notify
107 the charitable organization of such noncompliance not later than ten
108 days after the department's receipt of such application for registration.

109 Any such charitable organization may request a hearing on its
110 noncompliant status in accordance with the provisions of chapter 54.

111 (c) In addition to the application fee required pursuant to subsection
112 (a) of this section, a charitable organization shall pay a late fee of twenty-
113 five dollars for each month, or part thereof, that such application for
114 registration is late. The commissioner may, upon written request and for
115 good cause shown, waive or reduce any late fee under this section.

116 (d) In the event that a charitable organization fails to register in
117 accordance with the provisions of this section, such organization shall
118 include in its application for registration an annual financial report for
119 each of the previous years in which such organization was required to
120 file an application for registration or an annual financial report.

121 (e) Any charitable organization registered in accordance with this
122 section on September 30, 2005, shall be deemed to be registered
123 pursuant to this section until the last day of the fifth month after the
124 close of the fiscal year in effect on September 30, 2005.

125 (f) A charitable organization registered in accordance with this
126 section shall (1) when engaging in solicitation, or upon request from any
127 person, disclose its registration number and the percentage of funds
128 collected by such organization in the prior calendar year that directly
129 funded the charitable purpose of such organization, and (2) display its
130 registration number in a conspicuous manner on any printed
131 advertisement.

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2022	21a-190a
Sec. 2	January 1, 2022	21a-190b

GL *Joint Favorable*