

SENATE BILL REPORT

SB 5022

AS OF JANUARY 19, 1993

Brief Description: Regulating charitable solicitations.

SPONSORS: Senators M. Rasmussen, Haugen and von Reichbauer

SENATE COMMITTEE ON LAW & JUSTICE

Staff: Tom Fender (786-7414)

Hearing Dates: January 20, 1993

BACKGROUND:

In December of 1991 as the result of serious complaints about charitable fund raising, the Attorney General proposed to regulate segments of the fund raising industry and to establish a registration system within the Attorney General's office. The current system requires registration with the Secretary of State.

The Consumer Protection Division asked for the authority to issue cease and desist orders, impose civil penalties, further educate the public about charities, and better regulate paid fund raisers.

The year 1992 saw a legislative proposal as the result of negotiation between the office of Attorney General and the Secretary of State. Here the registration function remained within the Secretary of State's office while providing the Attorney General's office with access to this information. Further, it was thought that the Secretary of State should set the registration rate by fee and retain its existing rule-making power. Enforcement would be consolidated within the Attorney General's office which would retain the investigatory and prosecution elements necessary to ensure compliance.

Finally, since a matter of major concern had been solicitation in the name of veterans' organizations, a connection between the Secretary of State and the Director of Veterans' Affairs was a desired goal of any legislation.

This legislation passed in both houses as separate bills but neither bill passed both.

SUMMARY:

The Secretary of State retains registration and rule-making authority over charitable organizations. Enforcement authority is transferred to the office of the Attorney General and veterans' organizations are required to identify affiliation with national organizations and co-register with

the Department of Veterans' Affairs. Disclosures are required of paid fund raisers, names of organizations on devices and ticket sales. Impersonation of police officers is prohibited.

Appropriation: none

Revenue: none

Fiscal Note: none requested