

FINAL BILL REPORT

2SSB 5237

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SYNOPSIS AS ENACTED

Brief Description: Regulating charitable solicitations.

SPONSORS: Senate Committee on Ways & Means (originally sponsored by Senators M. Rasmussen, A. Smith, Nelson, Winsley, Haugen, von Reichbauer, Oke, Roach and Spanel; by request of Attorney General and Secretary of State)

SENATE COMMITTEE ON LAW & JUSTICE

SENATE COMMITTEE ON WAYS & MEANS

HOUSE COMMITTEE ON JUDICIARY

BACKGROUND:

Charitable organizations and fund raisers are required to register with the Secretary of State. Charitable trusts are required to register with the Attorney General.

Charitable solicitations are subject to various restrictions, including the requirement that the solicitation disclose the percentage of revenues disbursed for charitable purposes. Similar restrictions in other states have been invalidated by the U.S. Supreme Court on freedom of speech grounds.

In December of 1991 as the result of complaints about charitable fund raising, the Attorney General proposed to increase regulation of segments of the fund raising industry. The Attorney General asked for the civil authority to issue cease and desist orders, impose penalties, further educate the public about charities, and better regulate paid fund raisers.

SUMMARY:

The Charitable Solicitations Act is redefined, strengthened and new regulatory powers are granted to the Attorney General. A fund raiser is prohibited from falsely representing him/herself as a police officer, fire fighter or as being affiliated with a veterans' organization. Telephone harassment of potential donors is also prohibited.

Commercial fund raisers are required to identify themselves as such, and vending machines or collection boxes are required to indicate the charity benefitted. No law enforcement agency or association may be identified in fund-raising activities unless express written authority exists.

The Attorney General is granted civil enforcement authority to issue cease and desist orders and impose penalties for violations. It is a gross misdemeanor to falsely claim to be a police officer, deputy sheriff or fire fighter in the course of a fund-raising solicitation.

All charitable fund raisers and charitable trusts are required to annually register with the Secretary of State, disclose their IRS status, report on their fund-raising activities and provide a report of monies used for charitable purposes.

An organization purporting to represent veterans' interests shall have its registration forwarded by the Secretary of State to the Director of Veterans' Affairs. The director may advise the Attorney General and Secretary of State regarding complaints concerning the charitable organization or other information pertaining to the registrant.

The Secretary of State may determine annual filing fees based on an organization's budget and tax status. Reporting and disclosure requirements are reduced for foundations associated with registered charities and government agencies. An annual report shall be published indicating the amount of money each organization registered directed to charitable purposes.

VOTES ON FINAL PASSAGE:

Senate	45	0	
House	98	0	(House amended)
Senate	41	0	(Senate concurred)

EFFECTIVE: July 1, 1993