
HOUSE BILL 1366

State of Washington

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By Representatives Jones, Reams, Dorn, Kessler, Karahalios, Kremen, Miller, R. Fisher, Pruitt, H. Myers, Eide, Roland, Springer, Campbell, Johanson and Basich

Read first time 01/25/93. Referred to Committee on Judiciary.

1 AN ACT Relating to charitable solicitations; amending RCW
2 19.09.020, 19.09.065, 19.09.075, 19.09.079, 19.09.085, 19.09.097,
3 19.09.271, 19.09.100, 19.09.190, 19.09.200, 19.09.210, 19.09.230,
4 19.09.240, 19.09.275, 19.09.305, and 19.09.315; adding new sections to
5 chapter 19.09 RCW; creating new sections; repealing RCW 19.09.078;
6 prescribing penalties; providing an effective date; and declaring an
7 emergency.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

9 **Sec. 1.** RCW 19.09.020 and 1986 c 230 s 2 are each amended to read
10 as follows:

11 When used in this chapter, unless the context otherwise requires:
12 (1) A "bona fide officer or employee" of a charitable organization
13 is one (a) whose conduct is subject to direct control by such
14 organization; (b) who does not act in the manner of an independent
15 contractor in his or her relation with the organization; and (c) whose
16 compensation is not computed on funds raised or to be raised.

17 (2) "Charitable organization" means any entity that solicits or
18 collects contributions from the general public where the contribution
19 is or is purported to be used to support a charitable activity, but

1 does not include any commercial fund raiser or commercial fund-raising
2 entity as defined in this section. "Charitable" (a) is not limited to
3 its common law meaning unless the context clearly requires a narrower
4 meaning; (b) does not include religious or political activities; and
5 (c) includes, but is not limited to, educational, recreational, social,
6 patriotic, legal defense, benevolent, ~~((or))~~ and health causes;
7 however, a bona fide institution of higher education located in the
8 state of Washington, whether public or private, or a separate
9 foundation whose purpose is to raise funds solely for such an
10 institution, is not a charitable organization.

11 (3) "Compensation" means salaries, wages, fees, commissions, or any
12 other remuneration or valuable consideration.

13 (4) "Contribution" means the payment, donation, promise or grant,
14 for consideration or otherwise, of any money or property of any kind or
15 value which contribution is wholly or partly induced by a solicitation.
16 Reference to dollar amounts of "contributions" or "solicitations" in
17 this chapter means in the case of payments or promises to pay for
18 merchandise or rights of any description, the value of the total amount
19 paid or promised to be paid for such merchandise or rights less the
20 reasonable purchase price to the charitable organization of any such
21 tangible merchandise, rights, or services resold by the organization,
22 and not merely that portion of the purchase price to be applied to a
23 charitable purpose.

24 (5) "Cost of solicitation" means and includes all direct and
25 indirect costs, expenditures, debts, obligations, salaries, wages,
26 commissions, fees, or other money or thing of value paid or incurred in
27 making a solicitation. Cost of solicitation does not include the
28 reasonable purchase price to the charitable organization of any
29 tangible goods or services resold by the organization as a part of its
30 fund raising activities.

31 (6) "Entity" means an individual, organization, group, association,
32 partnership, corporation, agency or unit of state government, or any
33 combination thereof.

34 (7) "General public" or "public" means any individual located in
35 Washington state without a membership or other official relationship
36 with a charitable organization before a solicitation by the charitable
37 organization.

38 (8) "~~((Independent))~~ Commercial fund raiser" or "~~((independent))~~
39 commercial fund-raising entity" means any entity that for compensation

1 or other consideration, plans, conducts, manages, or administers any
2 drive or campaign in this state for the purpose of soliciting
3 contributions for or on behalf of any charitable organization or
4 charitable or religious purpose, or that is engaged in the business of
5 or is held out to persons in this state as independently engaged in the
6 business of soliciting contributions for such purposes, or the business
7 of planning, conducting, managing, or carrying on any drive or campaign
8 in this state for such solicitations. However, a (~~(nonprofit fund~~
9 ~~raiser or~~)) bona fide officer or other employee of a charitable
10 organization shall not be deemed (~~(an independent)~~) a commercial fund
11 raiser.

12 (9) "Membership" means that for the payment of fees, dues,
13 assessments, etc., an organization provides services and confers a bona
14 fide right, privilege, professional standing, honor, or other direct
15 benefit, in addition to the right to vote, elect officers, or hold
16 office. The term "membership" does not include those persons who are
17 granted a membership upon making a contribution as the result of
18 solicitation.

19 (~~(10)~~) (~~("Nonprofit fund raiser" means an entity registered as a~~
20 ~~nonprofit corporation under Title 24 RCW, or any entity exempt from~~
21 ~~federal income tax under section 501(c) of the Internal Revenue Code,~~
22 ~~that solicits and receives contributions exceeding five thousand~~
23 ~~dollars in any accounting year on behalf of a charitable or religious~~
24 ~~organization other than the nonprofit corporation.~~

25 (~~(11)~~)) "Other employee" of a charitable organization means any
26 person (a) whose conduct is subject to direct control by such
27 organization; (b) who does not act in the manner of any independent
28 contractor in his or her relation with the organization; and (c) who is
29 not engaged in the business of or held out to persons in this state as
30 independently engaged in the business of soliciting contributions for
31 charitable or religious purposes.

32 (~~(12)~~)) (11) "Parent organization" means that part of a charitable
33 organization that coordinates, supervises, or exercises control over
34 policy, fund raising, or expenditures, or assists or advises one or
35 more chapters, branches, or affiliates of such organization in the
36 state of Washington.

37 (~~(13)~~)) (12) "Political activities" means those activities subject
38 to chapter 42.17 RCW or the Federal Elections Campaign Act of 1971, as
39 amended.

1 (~~(14)~~) (13) "Religious activities" means those religious,
2 evangelical, or missionary activities under the direction of a
3 religious organization duly organized and operating in good faith that
4 are entitled to receive a declaration of current tax exempt status for
5 religious purposes from the United States government and the duly
6 organized branches or chapters of those organizations.

7 (~~(15)~~) (14) "Secretary" means the secretary of state.

8 (~~(16)~~) (15) "Solicitation" means any oral or written request for
9 a contribution, including the solicitor's offer or attempt to sell any
10 property, rights, services, or other thing in connection with which:

11 (a) Any appeal is made for any charitable purpose; or

12 (b) The name of any charitable organization is used as an
13 inducement for consummating the sale; or

14 (c) Any statement is made that implies that the whole or any part
15 of the proceeds from the sale will be applied toward any charitable
16 purpose or donated to any charitable organization.

17 The solicitation shall be deemed completed when made, whether or
18 not the person making it receives any contribution or makes any sale.

19 Bingo activities, raffles, and amusement games conducted under
20 chapter 9.46 RCW and applicable rules of the Washington state gambling
21 commission are specifically excluded and shall not be deemed a
22 solicitation under this chapter.

23 **Sec. 2.** RCW 19.09.065 and 1986 c 230 s 3 are each amended to read
24 as follows:

25 (1) All charitable organizations(~~(, independent)~~) and commercial
26 fund raisers(~~(, and nonprofit fund raisers, as defined in RCW~~
27 19.09.020,) shall register with the secretary prior to conducting any
28 solicitations.

29 (2) Failure to register as required by this chapter is a violation
30 of this chapter.

31 (3) Information provided to the secretary pursuant to this chapter
32 shall be a public record except as otherwise stated in this chapter.

33 (4) Registration shall not be considered or be represented as an
34 endorsement by the secretary or the state of Washington.

35 **Sec. 3.** RCW 19.09.075 and 1986 c 230 s 4 are each amended to read
36 as follows:

1 An application for registration as a charitable organization shall
2 be submitted in the form prescribed by rule by the secretary,
3 containing, but not limited to, the following:

4 (1) The name, address, and telephone number of the charitable
5 organization;

6 (2) The name(s) under which the organization will solicit
7 contributions;

8 (3) The name, address, and telephone number of the officers of the
9 organization;

10 (4) The names of the three officers or employees receiving the
11 greatest amount of compensation from the organization;

12 (5) The purpose of the organization;

13 (6)(a) Whether the organization is exempt from federal income tax;
14 and if so the organization shall attach to its application a true copy
15 of the letter by which the internal revenue service granted such
16 status; and

17 (b) (~~Whether the financial affairs of the organization are audited~~
18 ~~by an independent entity and, if so,~~) The name and address of the
19 entity that prepares, reviews, or audits the financial statement of the
20 organization;

21 (7) A solicitation report of the organization for the preceding
22 accounting year including:

23 (a) The number and types of solicitations conducted;

24 (b) The total dollar value of support received from solicitations
25 and from all other sources received on behalf of the charitable purpose
26 of the charitable organization;

27 (c) The total amount of money applied to charitable purposes, fund
28 raising costs, and other expenses;

29 (d) The name, address, and telephone number of any (~~independent~~)
30 commercial fund raiser used by the organization; and

31 (8) An irrevocable appointment of the secretary to receive service
32 of process in noncriminal proceedings as provided in RCW 19.09.305.

33 The requirements of subsection (7) (b) and (c) of this section may
34 be satisfied by the submission of such federal tax forms as may be
35 approved by rule of the secretary.

36 The application shall be signed by the president, treasurer, or
37 comparable officer of the organization (~~and~~) whose signature shall be
38 notarized. The application shall be submitted with a nonrefundable
39 (~~ten-dollar~~) filing fee in an amount to be established by the secretary

1 by rule. If the secretary determines that the application is complete,
2 the application shall be filed and the applicant deemed registered.

3 The secretary shall notify the director of veterans' affairs upon
4 receipt of an application for registration as a charitable organization
5 from an entity that purports to raise funds to benefit veterans of the
6 United States military services. The director of veterans' affairs may
7 advise the secretary and the attorney general of any information,
8 reports, or complaints regarding such an organization.

9 **Sec. 4.** RCW 19.09.079 and 1986 c 230 s 7 are each amended to read
10 as follows:

11 An application for registration as ~~((an independent))~~ a commercial
12 fund raiser shall be submitted in the form prescribed by the secretary,
13 containing, but not limited to, the following:

14 (1) The name, address, and telephone number of the ~~((independent))~~
15 commercial fund-raising entity;

16 (2) The name(s), address(es), and telephone number(s) of the
17 owner(s) and principal officer(s) of the ~~((independent))~~ commercial
18 fund-raising entity;

19 (3) The name, address, and telephone number of the individual
20 responsible for the activities of the ~~((independent))~~ commercial fund-
21 raising entity in Washington;

22 (4) A list of states and Canadian provinces in which fund raising
23 has been performed;

24 (5) The names of the three officers or employees receiving the
25 greatest amount of compensation from the ~~((independent))~~ commercial
26 fund-raising entity;

27 (6) ~~((Whether the financial affairs of the independent fund raiser~~
28 ~~are audited by an independent entity, and, if so,))~~ The name and
29 address of the entity that prepares, reviews, or audits the financial
30 statement of the organization;

31 (7) A solicitation report of the ~~((independent))~~ commercial fund-
32 raising entity for the preceding accounting year, including:

33 (a) The number and types of fund raising services conducted;

34 (b) The names of charitable organizations required to register
35 under RCW 19.09.065 for whom fund raising services have been performed;

36 (c) The total value of contributions received on behalf of
37 charitable organizations required to register under RCW 19.09.065 by
38 the ~~((independent))~~ commercial fund raiser, affiliate of the

1 ((~~independent~~)) commercial fund raiser, or any entity retained by the
2 ((~~independent~~)) commercial fund raiser; and

3 (d) The amount of money disbursed to charitable organizations for
4 charitable purposes, net of fund raising costs paid by the charitable
5 organization as stipulated in any agreement between charitable
6 organizations and the ((~~independent~~)) commercial fund raiser;

7 (8) The name, address, and telephone number of any ((~~independent~~))
8 commercial fund raiser that was retained in the conduct of providing
9 fund raising services; and

10 (9) An irrevocable appointment of the secretary to receive service
11 of process in noncriminal proceedings as provided in RCW 19.09.305.

12 The application shall be signed by an officer or owner of the
13 ((~~independent~~)) commercial fund raiser and shall be submitted with a
14 nonrefundable(~~(, fifty dollar filing)~~) fee in an amount to be
15 established by rule of the secretary. If the secretary determines that
16 the application is complete, the application shall be filed and the
17 applicant deemed registered.

18 **Sec. 5.** RCW 19.09.085 and 1986 c 230 s 8 are each amended to read
19 as follows:

20 (1) Registration under this chapter shall cease to be effective
21 ((~~for~~)) after one year, or on the ((end of)) fifteenth day of the fifth
22 month after the organization's accounting year ends, whichever comes
23 first.

24 (2) Reregistration required under RCW 19.09.075 ((~~and 19.09.078~~))
25 shall be ((~~received by~~)) submitted to the secretary no later than the
26 fifteenth day of the fifth month after the organization's accounting
27 period ends.

28 (3) Reregistration required under RCW 19.09.079 shall be ((~~received~~
29 ~~by~~)) submitted to the secretary no later than the fifteenth day of the
30 third month after the organization's accounting period ends.

31 (4) Entities required to register under this chapter shall file a
32 notice of change of information within thirty days of any change in the
33 information contained in RCW 19.09.075 (1) through (6)((~~7~~)) or
34 19.09.079 (1) through (6)((~~7 or 19.09.078 (1) through (4)~~)).

35 (5) The secretary ((~~may~~)) shall notify entities registered under
36 this chapter of the need to reregister upon the expiration of their
37 current registration. The notification shall be by mail, sent at least
38 sixty days prior to the expiration of their current registration.

1 Failure to register shall not be excused by a failure of the secretary
2 to mail the notice or by an entity's failure to receive the notice.

3 **Sec. 6.** RCW 19.09.097 and 1986 c 230 s 10 are each amended to read
4 as follows:

5 (1) No charitable organization may contract with a commercial fund
6 raiser for any fund raising service or activity unless its contract
7 requires that both parties comply with the law and permits officers of
8 the charity reasonable access to: (a) The fund raisers' financial
9 records relating to that charitable organization; and (b) the fund
10 raisers' operations including without limitation the right to be
11 present during any telephone solicitation. In addition, the contract
12 shall specify the amount of raised funds that the charitable
13 organization will receive or the method of computing that amount, the
14 amount of compensation of the commercial fund raiser or the method of
15 computing that amount, and whether the compensation is fixed or
16 contingent.

17 (2) Before (~~contracting~~) a charitable organization may contract
18 with a commercial fund raiser for any fund raising service or activity,
19 the charitable organization and (~~independent~~) commercial fund raiser
20 shall complete a registration form. The registration shall be filed by
21 the charitable organization with the secretary, in the form prescribed
22 by the secretary, within five working days of the execution of the
23 contract containing, but not limited to the following information:

24 (~~(1)~~) (a) The name and registration number of the (~~independent~~)
25 commercial fund raiser;

26 (~~(2)~~) (b) The name of the surety or sureties issuing the bond
27 required by RCW 19.09.190, the aggregate amount of such bond or bonds,
28 the bond number(s), original effective date(s), and termination
29 date(s);

30 (~~(3)~~) (c) The name and registration number of the charitable
31 organization;

32 (~~(4)~~) (d) The name of the representative of the (~~independent~~)
33 commercial fund raiser who will be responsible for the conduct of the
34 fund raising;

35 (~~(5)~~) (e) The type(s) of service(s) to be provided by the
36 (~~independent~~) commercial fund raiser;

37 (~~(6)~~) (f) The dates such service(s) will begin and end;

1 (~~(7)~~) (g) The terms of the agreement between the charitable
2 organization and (~~independent~~) commercial fund raiser relating to:
3 (~~(a)~~) (i) Amount or percentages of amounts to inure to the
4 charitable organization;
5 (~~(b)~~) (ii) Limitations placed on the maximum amount to be raised
6 by the fund raiser, if the amount to inure to the charitable
7 organization is not stated as a percentage of the amount raised;
8 (~~(c)~~) (iii) Costs of fund raising that will be the responsibility
9 of the charitable organization, regardless of whether paid as a direct
10 expense, deducted from the amounts disbursed, or otherwise; and
11 (~~(d)~~) (iv) The manner in which contributions received directly by
12 the charitable organization, not the result of services provided by the
13 (~~independent~~) commercial fund raiser, will be identified and used in
14 computing the fee owed to the (~~independent~~) commercial fund raiser;
15 and
16 (~~(8)~~) (h) The names of any entity to which more than ten percent
17 of the total anticipated fund raising cost is to be paid, and whether
18 any principal officer or owner of the (~~independent~~) commercial fund
19 raiser or relative by blood or marriage thereof is an owner or officer
20 of any such entity.

21 (3) A true and correct copy of the contract must be filed with the
22 secretary before the commencement of any campaign.

23 (4) The registration form shall be submitted with a
24 nonrefundable(~~(, five dollar)~~) filing fee in an amount to be
25 established by rule of the secretary and shall be signed by an owner or
26 principal officer of the (~~independent~~) commercial fund raiser and the
27 president, treasurer, or comparable officer of the charitable
28 organization.

29 **Sec. 7.** RCW 19.09.271 and 1986 c 230 s 17 are each amended to read
30 as follows:

31 (1) Any charitable organization(~~(, nonprofit fund raiser,)~~) or
32 (~~independent~~) commercial fund raiser who, after notification by the
33 secretary, fails to properly register under this chapter by the end of
34 the first business day following the issuance of the notice, is liable
35 for a late filing fee (~~(of five dollars per day from the date of the~~
36 ~~notice until the registration is properly completed and filed)~~) in an
37 amount to be established by rule of the secretary. The late filing fee
38 is in addition to any other filing fee provided by this chapter.

1 (2) The secretary shall notify the attorney general of any entity
2 liable for late filing fees under subsection (1) of this section.

3 **Sec. 8.** RCW 19.09.100 and 1986 c 230 s 11 are each amended to read
4 as follows:

5 The following conditions apply to solicitations as defined by RCW
6 19.09.020:

7 (1) ~~((Each person or organization soliciting charitable~~
8 ~~contributions shall disclose orally or in writing to each person or~~
9 ~~organization solicited:~~

10 (a) ~~The name of the individual making the solicitation;~~

11 (b) ~~The name of the charitable organization;~~

12 (c) ~~The purpose of the solicitation, and the name of the~~
13 ~~organization that will receive the funds contributed; and~~

14 (d) ~~Whether the charitable organization is or is not properly~~
15 ~~registered under this chapter, and if registered, that information~~
16 ~~relating to its financial affairs is available by contacting the office~~
17 ~~of the secretary of state, giving the secretary's toll-free telephone~~
18 ~~number, if available.~~

19 (2) ~~Each person or organization soliciting charitable contributions~~
20 ~~shall conspicuously disclose in writing to each person or organization~~
21 ~~solicited:~~

22 (a) ~~If the solicitation is conducted by a charitable organization,~~
23 ~~the percentage relationship between (i) the total amount of money~~
24 ~~applied to charitable purposes; and (ii) the dollar value of support~~
25 ~~received from solicitations and from all other sources received on~~
26 ~~behalf of the charitable purpose of the organization, as contained in~~
27 ~~the organization's most recent solicitation report filed in accordance~~
28 ~~with RCW 19.09.075(7);~~

29 (b) ~~If the solicitation is conducted by an independent or nonprofit~~
30 ~~fund raiser, the percentage relationship between (i) the amount of~~
31 ~~money disbursed to charitable organizations for charitable purposes;~~
32 ~~and (ii) the total value of contributions received on behalf of~~
33 ~~charitable organizations by the independent or nonprofit fund raiser,~~
34 ~~as contained in the fund raiser's most recent solicitation report filed~~
35 ~~in accordance with RCW 19.09.079(7) or 19.09.078.~~

36 (3) ~~Each person or organization soliciting charitable contributions~~
37 ~~by telephone shall make the disclosures required by RCW 19.09.100(2)~~
38 ~~(a) or (b) in writing within five days of the receipt of any~~

1 contribution. If the person or organization sends any materials to the
2 person or organization solicited before the receipt of any
3 contribution, those materials shall include the disclosures required in
4 RCW 19.09.100(1)(d), and 19.09.100 (2) (a) or (b), whichever is
5 applicable.

6 ~~(4))~~ A charitable organization, whether or not required to
7 register pursuant to this chapter, that directly solicits contributions
8 from the public in this state shall make the following clear and
9 conspicuous disclosures at the point of solicitation:

10 (a) The true name of the individual making the solicitation;

11 (b) The identity of the charitable organization and the city of the
12 principal place of business of the charitable organization;

13 (c) If requested by the solicitee, the toll-free number for the
14 donor to obtain additional financial disclosure information on file
15 with the secretary.

16 (2) A commercial fund raiser shall clearly and conspicuously
17 disclose at the point of solicitation: (a) The name of the individual
18 making the solicitation; (b) the name of the entity for which the fund
19 raiser is an agent or employee and the name and city of the charitable
20 organization for which the solicitation is being conducted; and (c) if
21 requested by the solicitee, the toll-free number for the donor to
22 obtain additional financial disclosure information on file with the
23 secretary. The disclosure must be made during an oral solicitation of
24 a contribution, and at the same time at which a written request for a
25 contribution is made.

26 (3) A person or organization soliciting charitable contributions by
27 telephone shall make the disclosures required under subsection (1) or
28 (2) of this section in the course of the solicitation but prior to
29 asking for a commitment for a contribution from the solicitee, and in
30 writing to any solicitee that makes a pledge within five days of making
31 the pledge. If the person or organization sends any materials to the
32 person or organization solicited before the receipt of any
33 contribution, those materials shall include the disclosures required in
34 subsection (1) or (2) of this section, whichever is applicable.

35 (4) In the case of a solicitation by advertisement or mass
36 distribution, including posters, leaflets, automatic dialing machines,
37 publication, and audio or video broadcasts, it shall be clearly and
38 conspicuously disclosed in the body of the solicitation material that:
39 (a) The solicitation is conducted by a named commercial fund raiser, if

1 it is; (b) the notice of solicitation required by the charitable
2 solicitation act is on file with the secretary's office; and (c) the
3 potential donor can obtain additional information at a toll-free
4 number.

5 (5) A container or vending machine displaying a solicitation must
6 also display in a clear and conspicuous manner the name of the
7 charitable organization for which funds are solicited, the name,
8 residence address, and telephone number of the individual and any
9 commercial fund raiser responsible for collecting funds placed in the
10 containers or vending machines, and the following statement: "This
11 charity is registered with the secretary's office under the charitable
12 solicitation act, registration number"

13 (6) A commercial fund raiser shall not represent that tickets to
14 any fund raising event will be donated for use by another person unless
15 all the following requirements are met:

16 (a) The commercial fund raiser prior to conducting a solicitation
17 has written commitments from persons stating that they will accept
18 donated tickets and specifying the number of tickets they will accept;

19 (b) The written commitments are kept on file by the commercial fund
20 raiser for three years and are made available to the attorney general
21 on demand;

22 (c) The contributions solicited for donated tickets may not be more
23 than the amount representing the number of ticket commitments received
24 from persons and kept on file under (a) of this subsection; and

25 (d) Not later than seven calendar days prior to the date of the
26 event for which ticket donations are solicited, the commercial fund
27 raiser shall give all donated tickets to the persons who made the
28 written commitments to accept them.

29 (7) Each person or organization soliciting charitable contributions
30 shall not represent orally or in writing that:

31 (a) The charitable contribution is tax deductible unless the
32 charitable organization for which charitable contributions are being
33 solicited or to which tickets for fund raising events or other services
34 or goods will be donated, has applied for and received from the
35 internal revenue service a letter of determination granting tax
36 deductible status to the charitable organization;

37 (b) The person soliciting the charitable contribution is a
38 volunteer or words of similar meaning or effect that create the

1 impression that the person soliciting is not a paid solicitor unless
2 such person is unpaid for his or her services;

3 (c) The person soliciting the charitable contribution is a member,
4 staffer, helper, or employee of the charitable organization or words of
5 similar meaning or effect that create the impression that the person
6 soliciting is not a paid solicitor if the person soliciting is
7 employed, contracted, or paid by (~~(an independent)~~) a commercial fund
8 raiser.

9 (~~(+5)~~) (8) If the charitable organization is associated with, or
10 has a name that is similar to, any unit of government each person or
11 organization soliciting contributions shall disclose to each person
12 solicited whether the charitable organization is or is not part of any
13 unit of government and the true nature of its relationship to the unit
14 of government.

15 (~~(+6)~~) (9) No person may, in connection with the solicitation of
16 contributions or the sale of goods, magazine, newspaper advertising, or
17 any other service, use the name "police," "sheriff," "fire fighter,"
18 "firemen," or a similar name unless properly authorized by a bona fide
19 police, sheriff, or fire fighter organization or police, sheriff, or
20 fire department. A proper authorization must be in writing and signed
21 by two authorized officials of the organization or department.

22 (10) A person may not, in connection with the solicitation of
23 contributions or the sale of goods, magazines, or newspaper
24 advertising, or any other service, use the name of a federally
25 chartered military veterans' service organization unless authorized in
26 writing by the highest ranking official of that organization in this
27 state.

28 (11) A charitable organization shall comply with all local
29 governmental regulations that apply to soliciting for or on behalf of
30 charitable organizations.

31 (~~(+7)~~) (12) The advertising material and the general promotional
32 plan for a solicitation shall not be false, misleading, or deceptive,
33 and shall afford full and fair disclosure.

34 (~~(+8)~~) (13) Solicitations shall not be conducted by a charitable
35 organization or (~~(independent)~~) commercial fund raiser that has, or if
36 a corporation, its officers, directors, or principals have, been
37 convicted of a crime involving solicitations for or on behalf of a
38 charitable organization in this state, the United States, or any other
39 state or foreign country within the past ten years or has been subject

1 to any permanent injunction or administrative order or judgment under
2 RCW 19.86.080 or 19.86.090, involving a violation or violations of RCW
3 19.86.020, within the past ten years, or of restraining a false or
4 misleading promotional plan involving solicitations for charitable
5 organizations.

6 (14) No charitable organization or commercial fund raiser subject
7 to this chapter may use or exploit the fact of registration under this
8 chapter so as to lead the public to believe that registration
9 constitutes an endorsement or approval by the state, but the use of the
10 following is not deemed prohibited: "Registered with the Washington
11 state secretary of state as required by law. Registration number"

12 (15) No entity may engage in any solicitation for contributions for
13 or on behalf of any charitable organization or commercial fund raiser
14 unless the charitable organization or commercial fund raiser is
15 registered with the secretary.

16 (16) No entity may engage in any solicitation for contributions
17 unless it complies with all provisions of this chapter.

18 (17)(a) No entity may place a telephone call for the purpose of
19 charitable solicitation that will be received by the solicitee before
20 eight o'clock a.m. or after nine o'clock p.m.

21 (b) No entity may, while placing a telephone call for the purpose
22 of charitable solicitation, engage in any conduct the natural
23 consequence of which is to harass, intimidate, or torment any person in
24 connection with the telephone call.

25 (18) Failure to comply with subsections (1) through ((+8)) (17) of
26 this section is a violation of this chapter.

27 **Sec. 9.** RCW 19.09.190 and 1986 c 230 s 16 are each amended to read
28 as follows:

29 Every ~~((independent))~~ commercial fund raiser who (1) directly or
30 indirectly receives contributions from the public on behalf of any
31 charitable organization; or (2) is compensated based upon funds raised
32 or to be raised, number of solicitations made or to be made, or any
33 other similar method; or (3) incurs or is authorized to incur expenses
34 on behalf of the charitable organization; or (4) has not been
35 registered with the secretary as ~~((an independent))~~ a commercial fund
36 raiser for the preceding accounting year shall execute a surety bond as
37 principal with one or more sureties whose liability in the aggregate as
38 such sureties will equal at least fifteen thousand dollars. The

1 secretary may, by rule, provide for the reduction and reinstatement of
2 the bond required by this section.

3 The issuer of the surety bond shall be licensed to do business in
4 this state, and shall promptly notify the secretary when claims or
5 payments are made against the bond or when the bond is canceled. The
6 bond shall be filed with the secretary in the form prescribed by the
7 secretary. The bond shall run to the state and to any person who may
8 have a cause of action against the obligor of said bond for any
9 malfeasance, misfeasance, or deceptive practice in the conduct of such
10 solicitation.

11 **Sec. 10.** RCW 19.09.200 and 1986 c 230 s 12 are each amended to
12 read as follows:

13 (1) Charitable organizations and ((independent)) commercial fund
14 raisers shall maintain accurate, current, and readily available books
15 and records at their usual business locations until at least three
16 years have elapsed following the effective period to which they relate.

17 (2) Each commercial fund raiser and charitable organization shall
18 maintain a record of the names of donors, their addresses, and the date
19 the donations were received for one year after a solicitation campaign
20 has been completed. No donor list, information, or documentation
21 required to be maintained under this subsection that is obtained by the
22 attorney general under this chapter, unless otherwise ordered by a
23 court for good cause shown, may be a public record.

24 (3) All contracts between ((independent)) commercial fund raisers
25 and charitable organizations shall be in writing, and true and correct
26 copies of such contracts or records thereof shall be kept on file in
27 the various offices of the charitable organization and the
28 ((independent)) commercial fund raiser for a three-year period. Such
29 records and contracts shall be available for inspection and examination
30 by the attorney general or by the county prosecuting attorney. A copy
31 of such contract or record shall be submitted by the charitable
32 organization or ((independent)) commercial fund raiser, within ten
33 days, following receipt of a written demand therefor from the attorney
34 general or county prosecutor.

35 **Sec. 11.** RCW 19.09.210 and 1986 c 230 s 13 are each amended to
36 read as follows:

1 Upon the request of the attorney general or the county prosecutor,
2 a charitable organization or commercial fund raiser shall submit a
3 financial statement containing, but not limited to, the following
4 information:

5 (1) The gross amount of the contributions pledged and the gross
6 amount collected.

7 (2) The amount thereof, given or to be given to charitable purposes
8 represented together with details as to the manner of distribution as
9 may be required.

10 (3) The aggregate amount paid and to be paid for the expenses of
11 such solicitation.

12 (4) The amounts paid to and to be paid to (~~independent~~)
13 commercial fund raisers or charitable organizations.

14 (5) Copies of any annual or periodic reports furnished by the
15 charitable organization, of its activities during or for the same
16 fiscal period, to its parent organization, subsidiaries, or affiliates,
17 if any.

18 **Sec. 12.** RCW 19.09.230 and 1986 c 230 s 14 are each amended to
19 read as follows:

20 No charitable organization, (~~independent~~) commercial fund raiser,
21 or other entity may knowingly use the name, symbol, or emblem of any
22 other person for the purpose of soliciting contributions from persons
23 in this state without the written consent of such other person. Such
24 consent may be deemed to have been given by anyone who is a director,
25 trustee, or other authorized officer, employee, agent, or
26 (~~independent~~) commercial fund raiser of the charitable organization,
27 and a copy of the written consent must be kept on file by the
28 charitable organization or commercial fund raiser and made available to
29 the attorney general upon demand.

30 A person may be deemed to have used the name of another person for
31 the purpose of soliciting contributions if such latter person's name is
32 listed on any stationery, advertisement, brochure, or correspondence of
33 the charitable organization or person or if such name is listed or
34 represented to any one who has contributed to, sponsored, or endorsed
35 the charitable organization or person, or its or his activities.

36 The secretary may revoke or deny any application for registration
37 that violates this section.

1 **Sec. 13.** RCW 19.09.240 and 1986 c 230 s 15 are each amended to
2 read as follows:

3 No charitable organization, (~~independent~~) commercial fund raiser,
4 or other person soliciting contributions for or on behalf of a
5 charitable organization may use a name, symbol, emblem, or statement so
6 closely related or similar to that used by another charitable
7 organization or governmental agency that the use thereof would tend to
8 confuse or mislead the public. The secretary may revoke or deny any
9 application for registration that violates this section.

10 **Sec. 14.** RCW 19.09.275 and 1986 c 230 s 18 are each amended to
11 read as follows:

12 Any person who willfully and knowingly violates any provision of
13 this chapter or who willfully and knowingly gives false or incorrect
14 information to the secretary, attorney general, or county prosecuting
15 attorney in filing statements required by this chapter, whether or not
16 such statement or report is verified is guilty of a gross misdemeanor
17 punishable under chapter 9A.20 RCW.

18 Any person who violates any provisions of this chapter or who gives
19 false or incorrect information to the secretary, attorney general, or
20 county prosecuting attorney in filing statements required by this
21 chapter, whether or not such statement or report is verified, is guilty
22 of a misdemeanor punishable under chapter 9A.20 RCW.

23 Any person who willfully and knowingly violates RCW 19.09.100(9) or
24 who falsely claims, in the course of a charitable solicitation, to be
25 a law enforcement officer, is guilty of a class C felony punishable
26 under chapter 9A.20 RCW.

27 **Sec. 15.** RCW 19.09.305 and 1983 c 265 s 7 are each amended to read
28 as follows:

29 When a person or an organization registered under this chapter, or
30 its president, treasurer, or comparable officers, cannot be found after
31 reasonably diligent effort, the secretary of state shall be an agent of
32 such person or organization upon whom process may be served. Service
33 on the secretary shall be made by delivering to the secretary or the
34 secretary's designee duplicate copies of such process, and a (~~twenty-~~
35 ~~five-dollar~~) filing fee to be established by rule of the secretary.
36 Thereupon, the secretary shall immediately cause one of the copies
37 thereof to be forwarded to the registrant at the most current address

1 shown in the secretary's files. Any service so had on the secretary
2 shall be returnable in not less than thirty days.

3 Any fee under this section shall be taxable as costs in the action.

4 The secretary shall maintain a record of all process served on the
5 secretary under this section, and shall record the date of service and
6 the secretary's action with reference thereto.

7 Nothing in this section limits or affects the right to serve
8 process required or permitted to be served on a registrant in any other
9 manner now or hereafter permitted by law.

10 **Sec. 16.** RCW 19.09.315 and 1983 c 265 s 17 are each amended to
11 read as follows:

12 (1) The secretary may establish, by rule, standard forms and
13 procedures for the efficient administration of this chapter.

14 (2) The secretary may provide by rule for the filing of a financial
15 statement by registered entities.

16 (3) The secretary may issue such publications, reports, or
17 information from the records as may be useful to the solicited public
18 and charitable organizations. To defray the costs of any such
19 publication, the secretary is authorized to charge a reasonable fee to
20 cover the costs of preparing, printing, and distributing such
21 publications.

22 NEW SECTION. **Sec. 17.** The attorney general, in the attorney
23 general's discretion, may:

24 (1) Annually, or more frequently, make such public or private
25 investigations within or without this state as the attorney general
26 deems necessary to determine whether any registration should be
27 granted, denied, revoked, or suspended, or whether any person has
28 violated or is about to violate a provision of this chapter or any rule
29 adopted or order issued under this chapter, or to aid in the
30 enforcement of this chapter or in the prescribing of rules and forms
31 under this chapter; and

32 (2) Publish information concerning a violation of this chapter or
33 a rule adopted or order issued under this chapter.

34 NEW SECTION. **Sec. 18.** For the purpose of any investigation or
35 proceeding under this chapter, the attorney general or any officer
36 designated by the attorney general may administer oaths and

1 affirmations, subpoena witnesses, compel their attendance, take
2 evidence, and require the production of any books, papers,
3 correspondence, memoranda, agreements, or other documents or records
4 which the attorney general deems relevant or material to the inquiry.

5 In case of willful failure on the part of a person to comply with
6 a subpoena lawfully issued by the attorney general or on the refusal of
7 a witness to testify to matters regarding which the witness may be
8 lawfully interrogated, the superior court of a county, on application
9 of the attorney general and after satisfactory evidence of willful
10 disobedience, may compel obedience by proceedings for contempt, as in
11 the case of disobedience of a subpoena issued from the court or a
12 refusal to testify therein.

13 NEW SECTION. **Sec. 19.** If it appears to the attorney general that
14 a person has engaged or is about to engage in an act or practice
15 constituting a violation of a provision of this chapter or a rule
16 adopted or order issued under this chapter, the attorney general may,
17 in the attorney general's discretion, issue an order directing the
18 person to cease and desist from continuing the act or practice.
19 Reasonable notice of and opportunity for a hearing shall be given. The
20 attorney general may issue a temporary order pending the hearing, which
21 shall remain in effect until ten days after the hearing is held and
22 which shall become final if the person to whom the notice is addressed
23 does not request a hearing within fifteen days after the receipt of the
24 notice.

25 NEW SECTION. **Sec. 20.** (1) The attorney general may assess against
26 any person or organization who violates this chapter, or any rule
27 adopted under this chapter, a civil penalty of not more than one
28 thousand dollars for each violation.

29 (2) Such person or organization shall be afforded the opportunity
30 for a hearing, upon request made to the attorney general within thirty
31 days after the date of issuance of the notice of assessment. The
32 hearing shall be conducted in accordance with chapter 34.05 RCW.

33 (3) If any person fails to pay an assessment after it has become a
34 final and unappealable order, or after the court has entered final
35 judgment in favor of the state, the attorney general may recover the
36 amount assessed by action in the appropriate superior court. In such

1 action, the validity and appropriateness of the final order imposing
2 the penalty shall not be subject to review.

3 NEW SECTION. **Sec. 21.** The administrative procedure act, chapter
4 34.05 RCW, shall wherever applicable herein govern the rights,
5 remedies, and procedures respecting the administration of this chapter.

6 NEW SECTION. **Sec. 22.** The secretary shall provide the attorney
7 general with copies of or direct electronic access to all
8 registrations, reports, or other information filed under this chapter.

9 NEW SECTION. **Sec. 23.** The attorney general and the secretary of
10 state shall evaluate the feasibility of providing a common schedule for
11 renewals of registration under chapter 19.09 RCW and annual reporting
12 under chapter 11.110 RCW. They shall report their findings, and any
13 recommendations for further statutory change, to the legislature by
14 January 1, 1994.

15 NEW SECTION. **Sec. 24.** The attorney general and the secretary of
16 state shall jointly develop and implement, prior to July 1, 1994, a
17 consolidated application for registration under chapters 11.110 and
18 19.09 RCW.

19 NEW SECTION. **Sec. 25.** RCW 19.09.078 and 1986 c 230 s 6 are each
20 repealed.

21 NEW SECTION. **Sec. 26.** Sections 17 through 22 of this act are each
22 added to chapter 19.09 RCW.

23 NEW SECTION. **Sec. 27.** If any provision of this act or its
24 application to any person or circumstance is held invalid, the
25 remainder of the act or the application of the provision to other
26 persons or circumstances is not affected.

27 NEW SECTION. **Sec. 28.** This act is necessary for the immediate
28 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and shall take
2 effect July 1, 1993.

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