

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL 429

Short Title: Modify Charitable Solicitation Licensing Laws. (Public)

Sponsors: Senators Moffitt, Woodard, and Alexander (Primary Sponsors).

Referred to: Rules and Operations of the Senate

April 3, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE QUALIFYING INCOME THRESHOLD FOR EXEMPTION
3 FROM CHARITABLE SOLICITATION REQUIREMENTS, TO MODIFY THE
4 DEADLINES FOR LICENSURE RENEWAL FOR CHARITABLE ORGANIZATIONS,
5 AND TO REMOVE THE REQUIREMENT THAT APPLICATIONS FOR LICENSURE
6 AND CERTAIN FINANCIAL REPORTS BE NOTARIZED.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 131F-3 reads as rewritten:

9 **"§ 131F-3. Exemptions.**

10 The following are exempt from the provisions of this Chapter:

- 11 ...
- 12 (3) Any person who receives less than ~~twenty-five thousand dollars (\$25,000)~~
13 fifty thousand dollars (\$50,000) in contributions in any calendar year and does
14 not provide compensation to any officer, trustee, organizer, incorporator,
15 fund-raiser, or solicitor. Compensation to any organizer or incorporator does
16 not include professional fees paid to licensed attorneys or licensed
17 accountants. A charitable organization may demonstrate to the Department
18 that it receives less than fifty thousand dollars (\$50,000) in contributions by
19 providing any of the following:
- 20 a. A copy of its most recently completed and filed Internal Revenue
21 Service Form 990 or Form 990-EZ or an applicable successor form.
- 22 b. A copy of the message confirming its submission of the Internal
23 Revenue Service Form 990-N or an applicable successor form.
- 24 c. A copy of its budget for the current year that was approved by its
25 governing board and that includes projected revenue and projected
26 expenses.
- 27 d. A completed financial form developed by the Department.
- 28 e. Any other evidence satisfactory to the Department.

29"

30 **SECTION 2.** G.S. 131F-5 reads as rewritten:

31 **"§ 131F-5. Licensure of charitable organizations and sponsors required.**

32 ...

33 (c) License Renewal. – The license shall be renewed on an annual basis. Any change in
34 information from the original application for a license shall be filed annually on or before the
35 fifteenth day of the fifth calendar month after the close of each fiscal year in which the charitable
36 organization or sponsor solicited in this State, or by the date of any applicable extension of the



1 federal informational tax form filing date, whichever is later, ~~provided that extensions given~~
 2 ~~under this section shall not exceed three months after the initial renewal date or eight months~~
 3 ~~after the conclusion of the year for which financial information is due at the time of renewal.~~
 4 later. For the purposes of this section, a license renewal application is considered filed as of the
 5 date shown on the postmark affixed, or, if filed electronically, when it is sent as provided in
 6 G.S. 66-325. A charitable organization or sponsor whose federal informational tax form filing
 7 date has been extended pursuant to filing the federal application for automatic extension shall,
 8 within seven days after ~~receipt, forward~~ filing the application for automatic extension, notify the
 9 Department that the license renewal period is extended by forwarding a copy of the document
 10 granting the extension application to the Department.

11 (d) Extension of Time. – For good cause shown, the Department may extend the time for
 12 the license renewal and the annual filing of updated information for a period not to exceed 60
 13 ~~days, days beyond the~~ (i) fifteenth day of the fifth calendar month after the close of each fiscal
 14 year in which the charitable organization or sponsor solicited in this State or (ii) date of any
 15 applicable extension of the federal informational tax form filing date, during which time the
 16 previous license shall remain in effect. The Department may extend the time for a charitable
 17 organization or sponsor whose federal informational tax form filing date has been extended
 18 pursuant to filing the federal application for automatic extension for an additional period not to
 19 exceed 60 days."

20 **SECTION 3.(a)** G.S. 131F-6(a) reads as rewritten:

21 "**§ 131F-6. Information required for licensure.**

22 (a) Initial Information Required. – The initial application for a license for a charitable
 23 organization or sponsor shall be submitted on a form provided by the Department, signed ~~under~~
 24 ~~oath~~ by the treasurer or chief fiscal officer of the charitable organization or sponsor, and shall
 25 include the following:

26 "...."

27 **SECTION 3.(b)** G.S. 131F-15 reads as rewritten:

28 "**§ 131F-15. License required for fund-raising consultant.**

29 ...

30 (b) License Application. – Applications for a license or renewal of a license shall be
 31 submitted on a form provided by the Department, shall be ~~signed under oath,~~ signed, and shall
 32 include the following:

33 "...."

34 **SECTION 3.(c)** G.S. 131F-16 reads as rewritten:

35 "**§ 131F-16. License required for solicitors.**

36 ...

37 (b) Applications. – Applications for a license or renewal of a license shall be submitted
 38 on a form provided by the Department, shall be ~~signed under oath,~~ signed, and shall include the
 39 following information:

40 "...."

41 (h) Financial Report. – Within 90 days after a solicitation campaign has been completed
 42 and on the anniversary of the commencement of a solicitation campaign lasting more than one
 43 year, the solicitor shall provide to the charitable organization or sponsor and file with the
 44 Department a financial report of the campaign, including the gross revenue received, an
 45 itemization of all expenses incurred, and the fixed percentage of the gross revenue that the
 46 charitable organization or sponsor received as a benefit from the solicitation campaign. The
 47 report shall be completed on a form provided by the Department and shall be signed by an
 48 authorized official of the solicitor who shall certify ~~under oath~~ that the report is true and correct.

49 "...."

50 **SECTION 4.** Section 1 of this act is effective when it becomes law and applies to
 51 requests for exemptions filed on or after that date. Section 2 of this act becomes effective October

1 1, 2023, and applies to license renewals filed on or after that date. The remainder of this act is
2 effective when it becomes law.