

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

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**SENATE BILL 659  
Judiciary II Committee Substitute Adopted 4/16/03**

Short Title: Charitable Solicitations/Inform the Public.

(Public)

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Sponsors:

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Referred to:

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April 1, 2003

A BILL TO BE ENTITLED

1  
2 AN ACT TO DIRECT THE DEPARTMENT OF THE SECRETARY OF STATE TO  
3 INCLUDE IN ITS ANNUAL REPORT INFORMATION REGARDING  
4 SOLICITATIONS OF CHARITABLE CONTRIBUTIONS THAT INFORMS THE  
5 PUBLIC OF THE PERCENTAGES OF THE SOLICITORS' REVENUES THAT  
6 CHARITABLE ORGANIZATIONS OR SPONSORS WILL RECEIVE AS  
7 BENEFITS FROM SOLICITATION CAMPAIGNS AND TO PROVIDE FOR  
8 WIDER DISSEMINATION OF THE ANNUAL REPORT TO THE PUBLIC.

9 The General Assembly of North Carolina enacts:

10 **SECTION 1.** G.S. 131F-30 reads as rewritten:

11 **"§ 131F-30. Public information; annual report.**

12 (a) Public Information Program. – The Department shall develop a public  
13 information program to further the purposes of this Chapter. The purpose of the  
14 program is to help the public recognize unlawful, misleading, deceptive, or fraudulent  
15 solicitations and make knowledgeable, informed decisions concerning contributions.

16 (b) Information to Be Included. – The program shall include information  
17 concerning:

18 (1) The laws governing solicitations, including licensing and disclosure  
19 requirements, prohibited acts, and penalties.

20 (2) The means by which the public can report suspected violations or file a  
21 complaint.

22 (3) Any other information the Department believes will assist the public in  
23 making knowledgeable and informed decisions concerning  
24 contributions.

25 (c) Annual Report. – The Department shall prepare an annual report to be  
26 submitted to the Governor, the President of the Senate, and the Speaker of the House of  
27 Representatives and to be made available to the public by publishing it on the  
28 Department's web site, summarizing the information filed under this Chapter which the

1 Department determines will assist the public in making informed and knowledgeable  
2 decisions concerning contributions. The report shall include the following:

- 3 (1) A list of complaints filed for which violations were found to have  
4 occurred in each of the following categories: charitable organizations,  
5 sponsors, solicitors, and fund-raising consultants.  
6 (2) A list of the number of investigations by the Department, enforcement  
7 actions commenced under this Chapter, and the disposition of those  
8 actions.  
9 (3) A list of those charitable organizations and sponsors that have  
10 voluntarily submitted an audited financial statement pursuant to G.S.  
11 131F-6(a)(10) or an audit with an opinion prepared by an independent  
12 certified public accountant.  
13 (4) A list of all solicitors licensed under this Chapter and the fixed  
14 percentage of the gross revenue that the charitable organization or  
15 sponsor will receive as a benefit from the solicitation campaign, the  
16 reasonable estimate of the percentage of the gross revenue that the  
17 charitable organization or sponsor will receive as a benefit from the  
18 solicitation campaign, or the guaranteed minimum percentage of the  
19 gross revenue that the charitable solicitation or sponsor will receive as  
20 a benefit from the solicitation campaign as provided in the contract  
21 between the solicitor and the charitable organization or sponsor,  
22 whichever of these three amounts is least. This list shall appear in  
23 order of percentages, from lowest to highest.

24 (d) Each year immediately following the submission of the report under  
25 subsection (c) of this section, the Secretary of State shall issue that report as a press  
26 release to all print and electronic news media that provide general coverage."

27 **SECTION 2.** G.S. 131F-16(h) reads as rewritten:

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

37 **SECTION 3.** This act becomes effective January 1, 2004.