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**HOUSE BILL NO. 526**

Offered January 10, 2024

Prefiled January 8, 2024

*A BILL to amend and reenact § 57-49 of the Code of Virginia, relating to solicitation of contributions; registration of charitable organization; fees.*

\_\_\_\_\_  
Patron—Krizek

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Referred to Committee on General Laws

**Be it enacted by the General Assembly of Virginia:****1. That § 57-49 of the Code of Virginia is amended and reenacted as follows:****§ 57-49. Registration of charitable organizations; prohibition against support of terrorists.**

A. Every charitable organization, except as otherwise provided in this chapter, ~~which~~ *that* intends to solicit contributions within the Commonwealth, or have funds solicited on its behalf, shall, prior to any solicitation, file an initial registration statement with the Commissioner upon forms acceptable to him. Each registration statement shall thereafter be refiled on or before the fifteenth day of the fifth calendar month of the next and each following fiscal year in which such charitable organization is engaged in solicitation activities within the Commonwealth. It shall be the duty of the president, chairman, or principal officer of such charitable organization to file the statements required under this chapter. A charitable organization's registration statement may alternatively be filed online on a website approved by the Commissioner. Such statement shall contain the following information:

1. The name of the organization and the purpose for which it was organized.  
2. The principal address of the organization, the address of any offices in the Commonwealth and its designated agent for process within the Commonwealth. If no such agent is designated, the organization shall be deemed to have designated the Secretary of the Commonwealth. If the organization does not maintain an office, the name and address of the person having custody of its financial records.

3. The names and addresses of any chapters, branches, or affiliates in the Commonwealth.

4. The place where and the date when the organization was legally established, the form of its organization, and a reference to any determination of its tax-exempt status under the Internal Revenue Code.

5. The names and addresses of the officers, directors, trustees, and the principal salaried executive staff officer.

6. A copy of a balance sheet and income and expense statement, with the opinion of any independent public accountant, for the organization's immediately preceding fiscal year; a copy of a financial statement certified by an independent public accountant covering, in a consolidated report, complete information as to all the preceding year's ~~fund-raising~~ *fundraising* activities of the charitable organization, showing kind and amount of funds raised, ~~fund-raising~~ *fundraising* expenses and allocation of disbursement of funds raised; or a copy of Internal Revenue Service Form 990. The report required by this subdivision shall comply with the accounting standards prescribed pursuant to § 57-53. Any organization whose annual gross revenue qualifies such organization to file Form 990-N (also referred to as the e-Postcard) with the Internal Revenue Service may submit a balance sheet and income and expense statement verified under oath or affirmation by the treasurer of the organization.

7. A statement indicating the amount of funds expended during the preceding fiscal year to pay for the administrative expenses of the charitable organization and a computation of such expenses as a percentage of the total expenses of the charitable organization.

8. A statement indicating the amount of funds expended during the preceding fiscal year that was dedicated to providing charitable services and a computation of such expenses as a percentage of the total expenses of the charitable organization.

9. A statement showing the computation of the percentages provided for in § 57-58.

10. A statement indicating whether the organization intends to solicit contributions from the public directly or have such done on its behalf by others.

11. A statement indicating whether the organization is authorized by any other governmental authority to solicit contributions and whether it, or any officer, professional ~~fund-raiser~~ *fundraiser*, or professional solicitor thereof, is or has ever been enjoined by any court or otherwise prohibited from soliciting contributions in any jurisdiction.

12. The general purpose or purposes for which the contributions to be solicited shall be used.

13. The name or names under which it intends to solicit contributions.

14. The names of the individuals or officers of the organization who will have final responsibility for

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59 the custody of the contributions.

60 15. The names of the individuals or officers of the organization responsible for the final distribution  
61 of the contributions.

62 16. A statement indicating whether the organization, or any officer, professional ~~fund-raiser~~  
63 *fundraiser*, or professional solicitor thereof, has ever been convicted of a felony and, if so, a description  
64 of the pertinent facts.

65 17. A copy of the current articles of incorporation, bylaws, or other governing documents. If current  
66 copies are already on file with the Commissioner, only amendments, if any, shall be filed in years after  
67 the initial registration.

68 18. A description of the types of solicitation to be undertaken.

69 A1. Every registration statement shall include the following language:

70 "No funds have been or will knowingly be used, directly or indirectly, to benefit or provide support,  
71 in cash or in kind, to terrorists, terrorist organizations, terrorist activities, or the family members of any  
72 terrorist."

73 A2. No person shall be registered by the Commonwealth or by any locality to solicit funds that are  
74 intended to benefit or support terrorists, terrorist organizations, or terrorist activities. No person shall be  
75 registered by the Commonwealth or by any locality to solicit funds that are intended to benefit or  
76 support a family member of any terrorist, unless a court of competent jurisdiction within the  
77 Commonwealth, upon petition of an interested person, finds by clear and convincing evidence that, for a  
78 period of at least three years next preceding any act of terrorism committed by such terrorist or terrorist  
79 organization, the family members to whom the benefit of the contributions shall inure have been living  
80 separate and apart from the terrorist or terrorist organization, and the family members have not provided  
81 any financial support, in cash or in kind, to the terrorist or terrorist organization for the same period of  
82 time.

83 B. Each chapter, branch, or affiliate, except an independent member agency of a federated  
84 ~~fund-raising~~ *fundraising* organization, shall separately report the information required by this section or  
85 report the information to its parent organization, which shall then furnish such information as to itself  
86 and all of its state affiliates, chapters, and branches in a consolidated form. All affiliated organizations  
87 included in a consolidated registration statement shall be considered as one charitable organization for  
88 all purposes of this chapter. If a consolidated registration statement is filed, all statements thereafter filed  
89 shall be upon the same basis unless permission to change is granted by the Commissioner.

90 C. Each federated ~~fund-raising~~ *fundraising* organization shall report the information required by this  
91 section in a consolidated form. Any federated ~~fund-raising~~ *fundraising* organization may elect to exclude  
92 from its consolidated report information relating to the separate ~~fund-raising~~ *fundraising* activities of all  
93 of its independent member agencies. No member agency of a federated ~~fund-raising~~ *fundraising*  
94 organization shall be required to report separately any information contained in such a consolidated  
95 report. Any separate solicitations campaign conducted by, or on behalf of, any such member agency  
96 shall nevertheless be subject to all other provisions of this chapter.

97 D. The registration forms shall be signed by the chief fiscal officer and by another authorized officer  
98 of the charitable organization. If the registration forms are filed online using a website approved by the  
99 Commissioner, the charitable organization shall follow the procedures on that website for signing the  
100 forms.

101 E. Every charitable organization ~~which~~ *that* submits an independent registration to the Commissioner  
102 shall pay an annual registration fee of (i) ~~\$30~~ \$10 if its gross contributions for the preceding year do not  
103 exceed \$25,000; (ii) ~~\$50~~ \$25 if its gross contributions exceed \$25,000 but do not exceed \$50,000; (iii)  
104 ~~\$100~~ \$75 if its gross contributions exceed \$50,000 but do not exceed \$100,000; (iv) ~~\$200~~ \$125 if its  
105 gross contributions exceed \$100,000 but do not exceed \$500,000; (v) ~~\$250~~ \$175 if its gross  
106 contributions exceed \$500,000 but do not exceed \$1 million; and (vi) ~~\$325~~ \$200 if its gross  
107 contributions exceed \$1 million. A parent organization filing on behalf of one or more chapters,  
108 branches, or affiliates or a federated ~~fund-raising~~ *fundraising* organization filing on behalf of its member  
109 agencies shall pay a single annual registration fee for itself and such chapters, branches, affiliates, or  
110 member agencies included in the registration statement. Organizations with no prior financial history  
111 filing an initial registration shall be required to pay an initial fee of \$100. Organizations with prior  
112 financial history filing an initial registration shall be required to pay an initial fee of \$100 in addition to  
113 the annual registration fee. Any organization ~~which~~ *that* allows its registration to lapse, without  
114 requesting an extension of time to file, shall be required to resubmit an initial registration. An extension  
115 may be granted upon receipt of a written request.