

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact §§ 57-60 and 57-63 of the Code of Virginia, relating to solicitation of*
 3 *contributions; exemptions.*

4 [H 1269]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That §§ 57-60 and 57-63 of the Code of Virginia are amended and reenacted as follows:**

8 § 57-60. Exemptions.

9 (a) A. The following persons shall be exempt from the registration requirements of § 57-49 and the
 10 requirements of § 57-53, but shall otherwise be subject to the provisions of this chapter:

11 (1) 1. Educational institutions that are accredited by the Board of Education, by a regional
 12 accrediting association or by an organization affiliated with the National Commission on Accrediting, the
 13 Association Montessori Internationale, the American Montessori Society, the Virginia Independent
 14 Schools Association, or the Virginia Association of Independent Schools, any foundation having an
 15 established identity with any of the aforementioned educational institutions, and any other educational
 16 institution confining its solicitation of contributions to its student body, alumni, faculty and trustees, and
 17 their families.

18 (2) 2. Persons requesting contributions for the relief of any individual specified by name at the time
 19 of the solicitation when all of the contributions collected without any deductions whatsoever are turned
 20 over to the named beneficiary for his use.

21 (3) 3. Charitable organizations which do not intend to solicit and receive, during a calendar year, and
 22 have not actually raised or received, during any of the three next preceding calendar years, contributions
 23 from the public in excess of \$5,000, if all of their functions, including fund-raising activities, are carried
 24 on by persons who are unpaid for their services and if no part of their assets or income inures to the
 25 benefit of or is paid to any officer or member. Nevertheless, if the contributions raised from the public,
 26 whether all of such is or is not received by any charitable organization during any calendar year, shall
 27 be in excess of \$5,000, it shall, within thirty days after the date it has received total contributions in
 28 excess of \$5,000, register with and report to the Commissioner as required by this chapter.

29 (4) 4. Organizations which solicit only within the membership of the organization by the members
 30 thereof.

31 (5) 5. Organizations which have no office within the Commonwealth, which solicit in the
 32 Commonwealth from without the Commonwealth solely by means of telephone or telegraph, direct mail
 33 or advertising in national media, and which have a chapter, branch, or affiliate within the
 34 Commonwealth which has registered with the Commissioner.

35 (6) 6. Health care institutions *defined herein as any facility which has been (i) granted tax exempt*
 36 *status under § 501 (c) (3) of the Internal Revenue Code, or (ii) designated by the Health Care*
 37 *Financing Administration (HFCA) as a federally qualified health center, or (iii) certified by the HCFA*
 38 *as a rural health clinic, and any supporting organization which exists solely to support any such health*
 39 *care institutions.*

40 (7) 7. Civic organizations as defined herein.

41 (8) 8. Nonprofit debt counseling agencies licensed pursuant to § 6.1-363.1.

42 (9) 9. Agencies designated by the Virginia Department for the Aging pursuant to subdivision (a) (7)
 43 of § 2.1-373 as area agencies on aging.

44 (10) 10. Labor unions, labor associations and labor organizations that have been granted tax-exempt
 45 status under § 501 (c) (5) of the Internal Revenue Code.

46 (11) 11. Trade associations that have been granted tax-exempt status under § 501 (c) (6) of the
 47 Internal Revenue Code.

48 (b) B. A charitable organization shall be subject to the provisions of §§ 57-57 and 57-59, but shall
 49 otherwise be exempt from the provisions of this chapter for any year in which it confines its
 50 solicitations in ~~this~~ *the* Commonwealth to five or fewer contiguous cities and counties, and in which it
 51 has registered under the charitable solicitations ordinance, if any, of each such city and county. No
 52 organization shall be exempt under this subsection if, during its next preceding fiscal year, more than
 53 ten percent of its gross receipts were paid to any person or combination of persons, located outside the
 54 boundaries of such cities and counties, other than for the purchase of real property, or tangible personal
 55 property or personal services to be used within such localities. An organization which is otherwise
 56 qualified for exemption under this subsection which solicits by means of a local publication, or radio or

57 television station, shall not be disqualified solely because the circulation or range of such medium
58 extends beyond the boundaries of such cities or counties.

59 (e) C. No charitable or civic organization shall be exempt under this section unless it submits to the
60 Commissioner, who in his discretion may extend such filing deadline prospectively or retrospectively for
61 good cause shown, on forms to be prescribed by him, the name, address and purpose of the organization
62 and a statement setting forth the reason for the claim for exemption. Parent organizations may file
63 consolidated applications for exemptions for any chapters, branches, or affiliates which they believe to
64 be exempt from the registration provisions of this chapter. If the organization is exempted, the
65 Commissioner shall issue a letter of exemption which may be exhibited to the public. A registration fee
66 of ten dollars shall be required of every organization requesting an exemption after June 30, 1984. The
67 letter of exemption shall remain in effect as long as the organization continues to solicit in accordance
68 with its claim for exemption.

69 (d) D. Nothing in this chapter shall be construed as being applicable to the American Red Cross or
70 any of its local chapters.

71 § 57-63. Local ordinances.

72 (a) A. The governing body of any city, town or county may by ordinance not inconsistent with this
73 chapter provide for the regulation and licensing of charitable or civic organizations soliciting within the
74 city, town or county, and for penalties for violation thereof, subject to the following limitations:

75 (1) 1. No local license tax or fee in excess of ten dollars shall be required of any charitable
76 organization.

77 (2) 2. No charitable organization exempt from registration under *subsection A 1, A 4, or A 6 of*
78 *§ 57-60 (a) (1) or (4) or (6)* shall be required to be licensed. Any such organization may obtain a local
79 license, without payment of any license tax or fee, upon compliance with all such requirements of the
80 local ordinance as would have been applicable had it been registered with the Commissioner during each
81 year in which it obtained an exemption letter under *subsection C of § 57-60 (e)*.

82 (3) 3. No charitable organization which has registered with the Commissioner for the current and
83 next preceding three years, or exempt for such years under § 57-50, shall be required to provide any
84 financial information.

85 (4) 4. No charitable or civic organization which solicits within ~~this~~ *the* Commonwealth from a place
86 outside the Commonwealth solely by telephone, telegraph, direct mail or advertising in national media,
87 and having no chapter, branch, area or office within ~~this~~ *the* Commonwealth, shall be required to be
88 licensed.

89 (5) 5. No museum which has registered with the Commissioner as required by § 57-49 and which
90 has been granted tax-exempt status under § 501 (c) (3) of the Internal Revenue Code shall be required to
91 comply with the regulation or licensing provisions of any local charitable solicitations ordinance.

92 (6) 6. If a charitable or civic organization shall designate by power of attorney filed with the
93 Commissioner one or more persons authorized to sign on its behalf, the signature, verification or
94 affirmation of any such persons shall be sufficient for all purposes of any local charitable solicitations
95 ordinance.

96 (b) B. Any ordinance adopted pursuant to this section may provide, inter alia, for procedures
97 whereby charitable organizations may, for valid reasons, after an administrative hearing, be denied a
98 local license or whereby a license may be revoked. Valid reasons for denial or revocation of a local
99 license may be defined to include, without limitation, the expenditure of charitable assets for
100 noncharitable purposes, any misrepresentation to the public or to any prospective donor, and any
101 violation of state or local law. Any charitable organization which is denied a license may, within fifteen
102 days from the date of such denial, apply for relief to the circuit court of such city or county or of the
103 county in which such town is located. If the court is satisfied that the denial was for any reason
104 erroneous, it shall provide such relief as may be appropriate.

105 (e) C. No ordinance, or amendment thereto, adopted pursuant to this section shall be valid for any
106 calendar year beginning after December 31, 1978, unless, before September 1 of that year, there shall
107 have been filed with the Commissioner, on forms to be prescribed by him, information deemed by him
108 to be sufficient for the purpose of advising charitable or civic organizations of the necessity for them to
109 be licensed by such city, town or county.

110 (d) D. No charitable organization shall be required to comply with the provisions of local ordinances
111 if such organization has registered with the Commissioner or if such organization is a chapter, branch or
112 affiliate included in the consolidated report of an organization or federated organization registered with
113 the Commissioner, except that such charitable organization shall not be exempted from that portion of
114 any local ordinance which requires such organization to register its name, the names of its solicitors and
115 the dates and times that they will be soliciting in the locality.