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HOUSE BILL NO. 696

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on General Laws
on February 7, 2000)

(Patron Prior to Substitute—Delegate Sherwood)

*A BILL to amend and reenact § 57-60 of the Code of Virginia, relating to the Solicitation of Contributions Act; exemptions.***Be it enacted by the General Assembly of Virginia:****1. That § 57-60 of the Code of Virginia is amended and reenacted as follows:**

§ 57-60. Exemptions.

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

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

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

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

4. Organizations which solicit only within the membership of the organization by the members thereof.

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

6. Health care institutions defined herein as any ~~facility~~ facilities which ~~has~~ have been ~~(i)~~ granted tax-exempt status under § 501 (c) (3) of the Internal Revenue Code, ~~(ii)~~ and which are (i) licensed by the Department of Health or the Department of Mental Health, Mental Retardation and Substance Abuse Services; (ii) designated by the Health Care Financing Administration (HCFA) as a federally qualified health center, or ~~(iii)~~ centers; (iii) certified by the HCFA as a rural health ~~clinic~~, clinics; or (iv) wholly organized for the delivery of health care services without charges; and any supporting organization which exists solely to support any such health care institutions. For the purposes of clause (iv), "delivery of health care services without charge" includes the delivery of dental, medical or other health services where a reasonable minimum fee is charged to cover administrative costs.

7. Civic organizations as defined herein.

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

9. Agencies designated by the Virginia Department for the Aging pursuant to subdivision A 6 of § 2.1-373 as area agencies on aging.

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

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

B. A charitable organization shall be subject to the provisions of §§ 57-57 and 57-59, but shall otherwise be exempt from the provisions of this chapter for any year in which it confines its solicitations in the Commonwealth to five or fewer contiguous cities and counties, and in which it has registered under the charitable solicitations ordinance, if any, of each such city and county. No organization shall be exempt under this subsection if, during its next preceding fiscal year, more than ten percent of its gross receipts were paid to any person or combination of persons, located outside the

60 boundaries of such cities and counties, other than for the purchase of real property, or tangible personal
61 property or personal services to be used within such localities. An organization which is otherwise
62 qualified for exemption under this subsection which solicits by means of a local publication, or radio or
63 television station, shall not be disqualified solely because the circulation or range of such medium
64 extends beyond the boundaries of such cities or counties.

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

75 D. Nothing in this chapter shall be construed as being applicable to the American Red Cross or any
76 of its local chapters.