

SENATE BILL NO. 2354

Introduced by

Senator Espegard

Representative Keiser

1 A BILL for an Act to amend and reenact subsection 2 of section 50-22-01, subsection 2 of
2 section 50-22-02, and section 50-22-02.2 of the North Dakota Century Code, relating to
3 charitable solicitations.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Subsection 2 of section 50-22-01 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 2. a. "Charitable organization" means a person that engages in or purports to
8 engage in solicitation for a charitable purpose and includes a chapter, branch,
9 area office, or similar affiliate or a person soliciting contributions within the
10 state for a parent charitable organization.

11 b. The term "charitable organization" does not include:

12 (1) An organization that solicits funds for an institution of higher learning.

13 (2) An organization that uses only volunteer unpaid fundraisers and that
14 solicits funds for a political subdivision or other government entity or for
15 a civic or community project in which the contributions received are
16 used solely for the project and none of the contributions inure to the
17 benefit of any individual.

18 (3) A private or public elementary or secondary school.

19 (4) A charitable organization or person that solicits contributions for any
20 person specified by name at the time of the solicitation if all the
21 contributions received are transferred within a reasonable time after
22 receipt to the person named or that person's parent, guardian, or
23 conservator with no restriction on their expenditure and with no
24 deduction.

- 1 (5) A religious society or organization that is exempt from filing a federal
2 annual information return pursuant to Internal Revenue Code section
3 6033(a)(2)(A)(i) and (iii) [26 U.S.C. 6033(a)(2)(A)(i) and (iii)] ~~and or~~
4 Internal Revenue Code section 6033(a)(2)(C)(i) [26 U.S.C.
5 6033(a)(2)(C)(i)].
- 6 (6) Any candidate for national, state, or local elective office or political party
7 or other committee required to file information with the federal election
8 commission, a state election commission, or an equivalent office or
9 agency.

10 **SECTION 2. AMENDMENT.** Subsection 2 of section 50-22-02 of the North Dakota
11 Century Code is amended and reenacted as follows:

- 12 2. The registration statement filed by a charitable organization must include a
13 registration fee of twenty-five dollars and a financial statement of the organization's
14 operation for its most recent twelve-month period immediately preceding the filing
15 of the first registration statement. An initial registration filed by a charitable
16 organization in July or August following the close of the annual reporting period
17 described in section 50-22-04 is valid until September first of the subsequent year.
18 The registration continues unless revoked by a court of competent jurisdiction, by
19 the secretary of state, or as provided in this chapter. If a charitable organization
20 fails to file a registration statement or other information required to be filed by the
21 secretary of state under this chapter, or otherwise violates this chapter, the
22 secretary of state, upon notice by certified mail to its last-known address, may deny
23 or suspend the application for registration. An adjudicative proceeding under this
24 chapter must be conducted in accordance with chapter 28-32 unless otherwise
25 provided in this chapter. A notice required under this chapter or chapter 28-32 may
26 be made by certified mail. In the event of revocation, the secretary of state ~~still~~
27 shall retain the registration fee.

28 **SECTION 3. AMENDMENT.** Section 50-22-02.2 of the North Dakota Century Code is
29 amended and reenacted as follows:

- 30 **50-22-02.2. Licensee Registrant name registration or certificate of authority**
31 **required.** The secretary of state may not issue or renew a ~~license~~ registration provided for in

1 this chapter if the name of the ~~licensee~~ registrant is an entity whose name is not in some
2 manner registered with the secretary of state as a corporation, limited liability company, trade
3 name, fictitious name of a partnership, limited partnership, or limited liability partnership. For a
4 registrant that is a foreign entity, a registration under this chapter means the same as a license
5 or permit under section 10-19.1-134, 10-32-137, 10-33-127, or 45-22-19, or other substantially
6 equivalent statute for the purpose of procuring a certificate of authority or similar authorization
7 to act in this state.