

Fifty-fifth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1248

Introduced by

Representatives Thoreson, Nottestad, Aarsvold, Grande

1 A BILL for an Act to amend and reenact sections 50-22-02 and 50-22-04 of the North Dakota
2 Century Code, relating to licensing of charitable organizations and filing of annual reports by
3 charitable organizations.

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

5 **SECTION 1. AMENDMENT.** Section 50-22-02 of the 1995 Supplement to the North
6 Dakota Century Code is amended and reenacted as follows:

7 **50-22-02. License to solicit - Term - Revocation.** ~~No~~ A charitable organization may
8 not solicit contributions from persons in this state by any means ~~whatsoever~~ without first having
9 obtained a license from the secretary of state. The secretary of state shall investigate the
10 financial responsibility, experience, character, and general fitness of the applicant. If the
11 investigation ~~warrants the belief that the solicitations are for a worthy charitable purpose and~~
12 ~~that~~ indicates the applicant will conduct solicitations in accordance with the law, the secretary of
13 state shall issue a license to the applicant, giving the applicant the right to solicit within the state
14 until the first day of September of that year except that an initial license issued to a charitable
15 organization in July or August following the close of the annual reporting period described in
16 section 50-22-04 must be valid until September first of the subsequent year. If the secretary of
17 state finds the applicant is not qualified to be issued a license, the secretary of state shall deny
18 the application, forthwith notify the applicant of the denial, but retain the license fee. If the
19 applicant does not fulfill the requirements for an application within ninety days of the initial date
20 of application, the application is deemed denied and the secretary of state shall file the
21 documentation and retain any fee received. An applicant whose application is denied for failure
22 to complete within the ninety-day time period shall submit a new application and license fee. All
23 fees collected under this chapter must be credited to the general fund of the state. The fee for
24 an initial license is twenty-five dollars. A license obtained under this section is valid for no more

than fourteen months the first year a license is obtained and one year thereafter, and is subject to revocation by the secretary of state at any time for just cause. The fee for a subsequent license is ten dollars.

SECTION 2. AMENDMENT. Section 50-22-04 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

50-22-04. Information required to be filed annually. Every charitable organization, professional fundraiser, or professional solicitor ~~subject to this chapter which has received or solicited contributions from within this state during the previous reporting period of July first through June thirtieth shall file the following information in the manner hereinbefore provided~~ and licensed in this state, whether or not the organization is reapplying for a license to solicit for the upcoming year, shall file an annual report along with a ten dollar fee with the secretary of state on or before the first day of September of each year. The report must be postmarked by the United States postal service or other carrier, in a properly addressed, postage prepaid, sealed envelope.

The secretary of state may extend the filing date for the annual report of any charitable organization, if a written application for extension is received before the filing deadline. A charitable organization with a fiscal year ending within three months prior to the filing deadline may make a written request for an extension to apply to reports for subsequent years until the fiscal year is changed.

Information submitted must be given as of the close of the business on the thirty-first day of December next preceding the date herein provided for the filing of the report, or, in the alternative, the date of the end of the fiscal year next preceding this report may be used. The annual report must be filed on forms to be provided by the secretary of state on or before the first day of September of every year, whether or not the charitable organization is reapplying for a license to solicit contributions containing the following information:

1. The gross amount of the contributions pledged or collected in this state.
2. The amount thereof given or to be given to the charitable purpose represented.
3. The aggregate amount paid or received and to be paid or received for the expenses of solicitation.
4. The aggregate amount paid to or received and to be paid to or received by professional fundraisers and solicitors.

- 1 In addition, the secretary of state may make a detailed examination of the accounts of any
- 2 charitable organization conducting a solicitation for funds within this state. Upon request the
- 3 attorney general shall assist the secretary of state in carrying out this chapter and, for this
- 4 purpose, has all powers granted by this chapter to the secretary of state. Every charitable
- 5 organization subject to this chapter shall keep a full and true record in the form that will enable
- 6 the charitable organization to accurately provide the information required by this chapter.