

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005

A Bill

SENATE BILL 1105

4
5 By: Senator Holt
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For An Act To Be Entitled

8
9 AN ACT TO REQUIRE CHARITABLE ORGANIZATIONS
10 SOLICITING CONTRIBUTIONS TO DISCLOSE THE
11 PERCENTAGE OF CONTRIBUTIONS EXPENDED ON
12 ADMINISTRATIVE EXPENSES; AND FOR OTHER PURPOSES.
13

Subtitle

14
15 AN ACT TO REQUIRE CHARITABLE
16 ORGANIZATIONS SOLICITING CONTRIBUTIONS
17 TO DISCLOSE THE PERCENTAGE OF
18 CONTRIBUTIONS EXPENDED ON ADMINISTRATIVE
19 EXPENSES.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 4-28-403(a), pertaining to financial
25 records filed by charitable organizations, is amended to read as follows:

26 (a)~~(1)~~ On or before May 15 of each year, each charitable organization
27 subject to the provisions of this subchapter shall file with the Attorney
28 General a:

29 (1)(A) A copy of all tax or information returns, including all
30 schedules and amendments, submitted by the charitable organization to the
31 Internal Revenue Service for the previous reporting year, except any
32 schedules of contributors to the organization.

33 ~~(2)(B)~~ A charitable organization which maintains its books
34 on other than a calendar-year basis, upon application to the Attorney
35 General, may be permitted to file the tax or information returns referred to
36 in this subsection within six (6) months after the close of its fiscal year;



1 and

2 (2) A report listing the contributions collected during the most
 3 recent fiscal year and the percentage of the contributions that were expended
 4 on administrative purposes or other purposes not related to the charitable
 5 purpose for which the contributions were solicited.

6
 7 SECTION 2. Arkansas Code § 4-28-409 is amended to read as follows:
 8 4-28-409. Disclosures.

9 (a) It is an unlawful practice for any person to solicit or request
 10 contributions when any part of the proceeds is pledged to be given to a
 11 charitable organization or solicited for a charitable purpose unless:

12 (1) The person discloses to each party solicited and to every
 13 purchaser, prior to accepting funds, the identity of the person responsible
 14 for soliciting the funds and whether any compensation is received for those
 15 services;

16 (2) Whether soliciting by telephone, by mail, by Internet, or by
 17 any other means, the person clearly and unambiguously discloses to each party
 18 and every purchaser, at the time or point of solicitation, his or her
 19 professional status; and

20 (3) ~~Upon request by a solicited party, the~~ The person truthfully
 21 and accurately discloses the percentage of funds raised:

22 (A) which ~~Which~~ is being paid to the solicitor, either
 23 directly or as reimbursement of costs, ~~and what percentage;~~

24 (B) That will be ultimately retained by the charity; and

25 (C) That was used by the charity for administrative
 26 purposes during the charity's previous fiscal year.

27 (b)(1) The provisions of this section shall not apply to any bona fide
 28 full-time employee of a charitable organization or to any volunteer who
 29 donates or gives all of the gross proceeds from sales or all contributions to
 30 the organizations for which the funds or things of value were solicited.

31 (2) However, this exemption shall not apply to any person who
 32 directly or indirectly receives a commission as compensation for services in
 33 relation to fund-raising activities performed for the charitable
 34 organization.

35 (c) The data required under subdivision (a)(3) of this section shall
 36 also be prominently displayed in written material distributed by the charity

1 and on the homepage of the charity's web site.

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