

1 **CHARITABLE ORGANIZATION REGISTRATION**

2 **AMENDMENTS**

3 2023 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: James A. Dunnigan**

6 Senate Sponsor: Curtis S. Bramble

7

LONG TITLE

8 **General Description:**

9 This bill addresses charitable organization registration requirements.

10 **Highlighted Provisions:**

11 This bill:

12 ▶ exempts a federal income tax-exempt charitable organization from registering as a
13 charitable organization in Utah;

14 ▶ provides that the Division of Consumer Protection may include a searchable list on
15 the division's website of federal tax-exempt charitable organizations engaging in
16 certain charitable solicitations in Utah; and

17 ▶ makes technical changes.

18 **Money Appropriated in this Bill:**

19 None

20 **Other Special Clauses:**

21 None

22 **Utah Code Sections Affected:**

23 AMENDS:

24 **13-22-8**, as last amended by Laws of Utah 2018, Chapters 267 and 415

25

Be it enacted by the Legislature of the state of Utah:



28 Section 1. Section 13-22-8 is amended to read:

29 **13-22-8. Exemptions.**

30 (1) Section 13-22-5 does not apply to:

31 (a) a bona fide religious, ecclesiastical, or denominational organization if:

32 (i) the solicitation is made for a church, missionary, religious, or humanitarian purpose;

33 and

34 (ii) the organization is either:

35 (A) a lawfully organized corporation, institution, society, church, or established

36 physical place of worship, at which nonprofit religious services and activities are regularly

37 conducted and carried on; or

38 (B) a bona fide religious group:

39 (I) that does not maintain specific places of worship;

40 (II) that is not subject to federal income tax; and

41 (III) that is not required to file an IRS Form 990 under any circumstance; ~~[or]~~

42 ~~[(C) a separate group or corporation that is an integral part of an institution that is an~~
43 ~~income tax exempt organization under 26 U.S.C. Sec. 501(c)(3) and is not primarily supported~~
44 ~~by funds solicited outside the group's or corporation's own membership or congregation;]~~

45 (b) a solicitation by a broadcast media owned or operated by an educational institution
46 or governmental entity, or any entity organized solely for the support of that broadcast media;

47 (c) subject to Subsection 13-22-21(1), an individual soliciting a contribution for the
48 relief or benefit of another individual, who is specified by name at the time of the solicitation,
49 if:

50 (i) all contributions are turned over to the named beneficiary after deducting actual
51 expenses necessary for the cost of solicitation, if any; and

52 (ii) all individuals that carry out any fund-raising function for the benefit of the named
53 individual are unpaid, directly or indirectly, for services rendered;

54 (d) a political party authorized to transact the political party's affairs within this state
55 and any candidate and campaign worker of the political party if the content and manner of any
56 solicitation make clear that the solicitation is for the benefit of the political party or candidate;

57 (e) a political action committee or group soliciting funds relating to issues or
58 candidates on the ballot if the committee or group is required to file financial information with

- 59 a federal or state election commission;
- 60 (f) (i) a public school;
- 61 (ii) a public institution of higher learning;
- 62 (iii) a school accredited by an accreditation body recognized within the state or the
63 United States;
- 64 (iv) an institution of higher learning accredited by an accreditation body recognized
65 within the state or the United States;
- 66 (v) an organization within, and authorized by, an entity described in Subsections
67 (1)(f)(i) through (iv); or
- 68 (vi) a parent organization, teacher organization, or student organization authorized by
69 an entity described in Subsection (1)(f)(i) or (iii) if:
- 70 (A) the parent organization, teacher organization, or student organization is a branch
71 of, or is affiliated with, a central organization;
- 72 (B) the parent organization, teacher organization, or student organization is subject to
73 the central organization's general control and supervision;
- 74 (C) the central organization holds a United States Internal Revenue Service group tax
75 exemption that covers the parent organization, teacher organization, or student organization;
76 and
- 77 (D) the central organization is registered with the division under this chapter;
- 78 (g) a public or higher education foundation established under Title 53E, Public
79 Education System -- State Administration, Title 53G, Public Education System -- Local
80 Administration, or Title 53B, State System of Higher Education;
- 81 (h) a television station, radio station, or newspaper of general circulation that donates
82 air time or print space for no consideration as part of a cooperative solicitation effort on behalf
83 of a charitable organization, whether or not that organization is required to register under this
84 chapter;
- 85 (i) a volunteer fire department, rescue squad, or local civil defense organization whose
86 financial oversight is under the control of a local governmental entity;
- 87 (j) any governmental unit of any state or the United States;
- 88 (k) any corporation:
- 89 (i) established by an act of the United States Congress; and

90 (ii) that is required by federal law to submit an annual report:

91 (A) on the activities of the corporation, including an itemized report of all receipts and
92 expenditures of the corporation; and

93 (B) to the United States Secretary of Defense to be:

94 (I) audited; and

95 (II) submitted to the United States Congress;

96 (l) a solicitation by an applicant for a grant offered by a state agency if:

97 (i) the terms of the grant provide that the state agency monitors a grant recipient to
98 ensure that grant funds are used in accordance with the grant's purpose; and

99 (ii) the sum of the amount available to the applicant under grants offered by a state
100 agency that the applicant applies for in a calendar year is less than or equal to \$1,500;

101 ~~[(m) a chapter of a charitable organization or a person who solicits contributions for a~~
102 ~~charitable organization, if the charitable organization is registered with the division pursuant to~~
103 ~~Section 13-22-5 or is exempt from registration under this section, and:]~~

104 ~~[(i) all contributions solicited by the chapter or person are delivered directly to the~~
105 ~~control of the charitable organization; or]~~

106 ~~[(ii) (A) the charitable organization holds a United States Internal Revenue Service~~
107 ~~group tax exemption that covers the chapter;]~~

108 ~~[(B) the charitable organization provides a list of its chapters to the division with its~~
109 ~~registration or renewal of registration;]~~

110 ~~[(C) the chapter is on the list provided under Subsection (1)(m)(ii)(B);]~~

111 ~~[(D) the chapter maintains the information required under Section 13-22-15 and~~
112 ~~provides the information to the division upon request; and]~~

113 ~~[(E) solicitations by the chapter or the person are limited to the collection of~~
114 ~~membership-related fees, dues, or assessments from new and existing members;]~~

115 ~~[(n)]~~ (m) a solicitation in an obituary; ~~[or]~~

116 ~~[(o)]~~ (n) a solicitation made exclusively to a family member of the individual making
117 the solicitation[-]; or

118 (o) an organization that holds federal income tax-exempt status under 26 U.S.C. Sec.
119 501(c)(3).

120 (2) An organization claiming an exemption under this section bears the burden of

121 proving the organization's eligibility for, or the applicability of, the exemption claimed.

122 (3) An organization exempt from registration [~~pursuant to~~] under this section that
123 makes a material change in the organization's legal status, officers, address, or similar changes
124 shall file a report informing the division of the organization's current legal status, business
125 address, business phone, officers, and primary contact person within 30 days [~~of~~] after the day
126 on which the change is made.

127 (4) The division may by rule made in accordance with Title 63G, Chapter 3, Utah
128 Administrative Rulemaking Act:

129 (a) require an organization that is exempt from registration under [~~this section~~]
130 Subsections (1)(a) through (n) to:

131 (i) file a notice of claim of exemption; and

132 (ii) file a renewal of a notice of claim of exemption;

133 (b) prescribe the contents of a notice of claim of exemption and a renewal of a notice
134 of claim of exemption; and

135 (c) require a filing fee for a notice of claim of exemption and a renewal of a notice of
136 claim of exemption as determined under Section [63J-1-504](#).

137 (5) The division may provide on the division's website a searchable list of
138 organizations described in Subsection (1)(o) that engage in an activity described in Subsection
139 [13-22-5\(1\)\(b\)](#).