

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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SENATE BILL 140

Short Title: Charitable Contributions Reported. (Public)

Sponsors: Senators Rand; Dalton, Dannelly, Hoyle, Lee, Reeves, and Soles.

Referred to: Judiciary I.

February 14, 2001

A BILL TO BE ENTITLED

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2 AN ACT TO REQUIRE PERSONS TO REPORT TO THE SECRETARY OF STATE
3 CHARITABLE CONTRIBUTIONS SOLICITED OR ACCEPTED FOR NAMED
4 INDIVIDUALS AND TO APPROPRIATE FUNDS FOR THE PUBLIC
5 INFORMATION PROGRAM.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 131F-31 reads as rewritten:

8 "**§ 131F-31. Contributions solicited for, or accepted by or on behalf of, a named**
9 **individual.**

10 (a) Trust Account Required. – Contributions solicited for, or accepted by or on
11 behalf of, a named individual shall be deposited in a trust account opened by a trustee
12 named in a properly established trust document.

13 (b) Use of Trust Funds. – Contributions deposited in the trust fund may be used
14 only for the purpose for which the contributions were solicited; if the contributions are
15 no longer needed for the purpose for which they were solicited, they may be used for
16 another similar charitable purpose.

17 (b1) Report of Trust Funds. – The trustee may disburse funds from the trust
18 account only after making a written record that:

19 (1) States the total amount of the contributions received;

20 (2) States the source or sources of the contributions received and the
21 amount of contributions received from each source; and

22 (3) ~~verifying~~ Verifies the purpose for which the funds will be used
23 accompanied by documentation of the identity of the payee and the
24 justification for the payment.

25 The trustee shall file the written record and identifying documentation with the
26 Secretary of State by December 31 of each year in which there are funds in the trust
27 account during all or part of that year.

1 The Trustee shall retain these records for each disbursement from the trust account
2 for a period of three years after the disbursement.

3 (c) Application of Section. – In addition to those persons to whom this Chapter is
4 applicable and notwithstanding G.S. 131F-3, this section applies to any person that
5 solicits or accepts contributions for, or on behalf of, a named individual in an amount of
6 one thousand dollars (\$1,000) or more. The prohibitions and enforcements of Article 4
7 of this Chapter apply to any person who violates this section, including any person who
8 knowingly and willingly fails to file the report required by this section or knowingly and
9 willfully submits false information to the Secretary of State."

10 **SECTION 2.** G.S. 131F-3(3) reads as rewritten:

11 "(3) Any Subject to G.S. 131F-31, any person who receives less than
12 twenty-five thousand dollars (\$25,000) in contributions in any calendar
13 year and does not provide compensation to any officer, trustee,
14 organizer, incorporator, fund-raiser, or solicitor."

15 **SECTION 3.** G.S. 131F-20 is amended by adding a new subdivision to read:

16 "(21) Fail to file the report required by G.S. 131F-31."

17 **SECTION 4.** There is appropriated from the General Fund to the
18 Department of the Secretary of State the sum of twenty thousand dollars (\$20,000) for
19 the 2001-2002 fiscal year for the Public Information Program developed by the
20 Secretary of State pursuant to G.S. 131F-30 to educate the public about the
21 requirements of this act.

22 **SECTION 5.** This act becomes effective July 1, 2001.