

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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SENATE BILL 140  
Judiciary I Committee Substitute Adopted 5/30/01  
Finance Committee Substitute Adopted 10/4/01

Short Title: Ad Hoc Community Collections Reported.

(Public)

Sponsors:

Referred to:

February 14, 2001

A BILL TO BE ENTITLED

AN ACT TO REQUIRE PERSONS TO REPORT AD HOC COMMUNITY  
COLLECTIONS SOLICITED OR ACCEPTED FOR NAMED INDIVIDUALS OR  
PURPOSES.

The General Assembly of North Carolina enacts:

**SECTION 1.** The General Statutes are amended by adding a new Chapter 131G to be entitled "Reporting of Ad Hoc Community Collections."

**SECTION 2.** G.S. 131F-31 is recodified as G.S. 131G-1 in Chapter 131G of the General Statutes as enacted by this act.

**SECTION 3.** G.S. 131G-1 of the General Statutes, as recodified in Section 2 of this act, reads as rewritten:

"§ 131G-1. **Contributions solicited for, or accepted by or on behalf of, a named ~~individual.~~ individual or a specific named charitable purpose that is not under the authority of a 501(c)(3) corporation under 26 U.S.C. § 501(c)(3) or an organization with a pending application for this status.**

(a) For purposes of this section, the definitions set out in G.S. 131F-2 shall apply.

~~(a)~~(b) Trust Account Required. – Contributions solicited for, or accepted by or on behalf of, a named ~~individual~~ individual, or a specific named charitable purpose that is not under the authority of a 501(c)(3) corporation under 26 U.S.C. § 501(c)(3) or an organization with a pending application for this status, shall be deposited in a trust account opened by a trustee named in a properly established trust document.

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

(d) Report of Trust Funds. – The trustee ~~may disburse funds from the trust account only after making~~ must make a written record that:

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

1           (2)     States the source or sources, without naming specific persons, of the  
2                 contributions received and the amount of contributions received from  
3                 each source; and

4           (3)     ~~verifying~~ Verifies the purpose for which the funds will be used were  
5                 disbursed accompanied by documentation of the identity of the payee  
6                 and the justification for the payment.

7           The trustee shall file the written record and identifying documentation with the clerk  
8           of court in the county in which the trust account is located by December 31 of each year  
9           in which there are funds in the trust account during all or part of that year. A fee of two  
10           dollars (\$2.00), for administrative costs, shall be paid to the clerk of court at the time of  
11           the filing.

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

14           (e)     Application of Section. – This section applies to any person that solicits or  
15           accepts contributions for, or on behalf of, a named individual, or a specific named  
16           charitable purpose that is not under the authority of a 501(c)(3) corporation under 26  
17           U.S.C. § 501(c)(3) or an organization with a pending application for this status, in an  
18           amount of one thousand dollars (\$1,000) or more in an aggregate amount.

19           (f)     Enforcement and Penalties. – Any person who violates this section, including  
20           any person who knowingly and willfully fails to file the report required by this section  
21           or knowingly and willfully submits false information to the clerk, commits a Class 1  
22           misdemeanor.

23           (g)     Exemptions. – The following types of contributions are exempt from the  
24           requirements of this section:

25           (1)     Charitable contributions solicited for a religious institution.

26           (2)     Charitable contributions solicited by the federal, State, or local  
27           government, or any of their agencies.

28           (3)     Reserved.

29           (4)     Charitable contributions solicited by any educational institution, the  
30           curriculum of which, in whole or in part, is registered, approved, or  
31           accredited by the Southern Association of Colleges and Schools or an  
32           equivalent regional accrediting body, and any educational institution in  
33           compliance with Article 39 of Chapter 115C of the General Statutes,  
34           and any foundation or department having an established identity with  
35           any of these educational institutions.

36           (5)     Charitable contributions solicited by any hospital licensed pursuant to  
37           Article 5 of Chapter 131E or Article 2 of Chapter 122C of the General  
38           Statutes and any foundation or department having an established  
39           identity with that hospital if the governing board of the hospital  
40           authorizes the solicitation and receives an accounting of the funds  
41           collected and expended.

42           (6)     Charitable contributions solicited by any noncommercial radio or  
43           television station.

- 1           (7) Charitable contributions solicited for a qualified community trust as  
2           provided in 26 C.F.R. 1.170A-9(e)(10) through (e)(14).  
3           (8) Charitable contributions solicited by a charitable organization defined  
4           as a 501(c)(3) tax-exempt nonprofit corporation under 26 U.S.C. §  
5           501(c)(3) and any of that 501(c)(3) corporation's bona fide volunteers,  
6           employees, officers, or sponsors.  
7           (9) Reserved.  
8           (10) Charitable contributions solicited by a volunteer fire department,  
9           rescue squad, or emergency medical service.  
10          (11) Charitable contributions solicited by a Young Men's Christian  
11          Association or a Young Women's Christian Association.  
12          (12) Charitable contributions solicited by a nonprofit continuing care  
13          facility licensed under Article 64 of Chapter 58 of the General  
14          Statutes."

15           **SECTION 4.** The Department of the Secretary of State may study Chapters  
16 131F and 131G of the General Statutes and report its findings, including any  
17 recommended legislation, to the 2002 Regular Session of the 2001 General Assembly.

18           **SECTION 5.** This act becomes effective December 1, 2001.