

*Reprinted*

FILED MAR 16 1990

SENATE FILE 2412  
BY COMMITTEE ON WAYS AND MEANS  
  
(SUCCESSOR TO SSB 2085)  
(SUCCESSOR TO SF 2370)

Passed Senate, Date 3/26/90 (p.1323) Passed House, Date 4/5/90 (p.2092)  
Vote: Ayes 45 Nays 5 Vote: Ayes 92 Nays 0  
Approved April 27, 1990

A BILL FOR

5252 1 An Act relating to the regulation of certain charitable  
2 organizations, providing a fee, and providing a penalty.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2412

1 Section 1. Section 122.1, Code Supplement 1989, is amended  
2 by striking the section and inserting in lieu thereof the  
3 following:

4 122.1 DEFINITIONS.

5 1. "Charitable organization" means a person who solicits  
6 or purports to solicit contributions for a charitable purpose  
7 and which receives contributions in an aggregate, annual  
8 amount or value of twenty-five thousand dollars or more.

9 "Charitable organization" does not include a political  
10 organization or a religious organization.

11 2. "Charitable purpose" means a benevolent, educational,  
12 philanthropic, humane, scientific, patriotic, social welfare  
13 or advocacy, public health, environmental, conservation,  
14 civic, or other charitable objective. In the case of law  
15 enforcement and fire fighter organizations, "charitable  
16 purpose" does not include funds raised through the sale of  
17 advertisements, products, or tickets for an event unless the  
18 organization represents that part of proceeds will be used to  
19 assist individuals other than the organization, its members,  
20 or their families.

21 3. "Political organization" means a political party, a  
22 candidate for office, or a political action committee required  
23 to file financial information with federal or state election  
24 or campaign commissions.

25 4. "Professional commercial fund-raiser" means any person  
26 who for compensation solicits contributions in Iowa for a  
27 charitable organization other than the person. A person whose  
28 sole responsibility is to mail fund-raising literature is not  
29 a professional commercial fund-raiser. A lawyer, investment  
30 counselor, or banker who advises a person to make a charitable  
31 contribution is not, as a result of such advice, a  
32 professional commercial fund-raiser. A bona fide salaried  
33 officer, employee, or volunteer of a charitable organization  
34 is not a professional commercial fund-raiser.

35 5. "Religious organization" means a religious corporation,

1 trust, foundation, association, or organization incorporated  
2 or established for religious purposes.

3 6. "Solicit" or "solicitation" means the request, directly  
4 or indirectly, for a contribution on the plea or  
5 representation that the contribution will be used for a  
6 charitable purpose. A solicitation is deemed to have taken  
7 place whether or not the person making the solicitation  
8 receives a contribution.

9 Sec. 2. Section 122.2, Code Supplement 1989, is amended by  
10 striking the section and inserting in lieu thereof the fol-  
11 lowing:

12 122.2 REGISTRATION PERMIT REQUIRED -- FEE -- EXPIRATION.

13 1. A professional commercial fund-raiser shall not solicit  
14 contributions for charitable purposes in this state unless the  
15 professional commercial fund-raiser has registered with the  
16 attorney general, has provided the attorney general with a  
17 listing of the professional commercial fund-raiser's clients,  
18 and has obtained a registration permit from the attorney  
19 general.

525#20 2. A charitable organization shall not solicit  
21 contributions for charitable purposes in this state unless the  
22 charitable organization has registered with the attorney  
23 general and has obtained a registration permit from the  
24 attorney general.

565#25 3. The attorney general shall prescribe and furnish the  
26 registration permit application form which shall include  
27 provisions for financial disclosure information concerning  
28 contributions received and disbursements made during the  
29 previous year by the professional commercial fund-raiser or  
30 the charitable organization applying for registration.  
31 Financial disclosure information shall not include an  
32 applicant's donor lists.

33 In lieu of filing the financial disclosure information at  
34 the time of registration, the professional commercial fund-  
35 raiser or charitable organization may file a statement with

1 its permit application where it agrees to provide, without  
2 cost, the financial disclosure information required to be  
3 disclosed pursuant to this subsection to a person or  
4 government entity requesting the information within one day of  
5 the request. The statement shall include the telephone  
6 number, mailing address, and names of persons to be contacted  
7 to obtain the financial disclosure information of the  
8 charitable organization. Failure to provide this information  
9 upon request shall be a violation of this chapter.

10 If a professional commercial fund-raiser or charitable  
11 organization fails to provide the required financial  
12 information as agreed to in its statement filed with the  
13 permit application, it shall file the required financial  
14 disclosure information with the attorney general within seven  
15 days of its failure to have provided the disclosure  
16 information upon request and, thereafter, file its annual  
17 financial disclosure information with the attorney general as  
18 required by this chapter. The attorney general may require  
19 that registration information be updated on a quarterly basis.

20 The client lists of a professional commercial fund-raiser,  
21 if required to be filed as part of the application for  
22 registration, shall be confidential and may be used only for  
23 law enforcement purposes.

24 4. The attorney general shall collect a fee of ten dollars  
25 for each registration permit issued. A permit shall expire  
26 annually on the thirty-first day of December following the  
27 date of issuance.

5569 - 28 Sec. 3. Section 122.3, Code Supplement 1989, is amended by  
29 striking the section and inserting in lieu thereof the  
30 following:

31 122.3 ENFORCEMENT -- CRIMINAL PENALTY.

32 The attorney general shall enforce the provisions of this  
33 chapter.

34 A violation of this chapter is a violation of section  
35 714.16, subsection 2, paragraph "a". The provisions of

1 section 714.16, including but not limited to provisions  
2 relating to investigation, injunctive relief, and penalties,  
3 shall apply to this chapter.

4 <sup>5566</sup> Sec. 4. Section 122.6, Code 1989, is repealed.

5 Sec. 5. Sections 122.4, 122.5, and 122.7, Code Supplement  
6 1989, are repealed.

7 EXPLANATION

8 This bill amends the chapter of the Code relating to  
9 organizations soliciting public donations and provides a fee  
10 and a penalty. The bill requires commercial fund-raisers and  
11 charitable organizations to register with the attorney general  
12 in order to solicit funds for charitable purposes in this  
13 state. "Charitable organizations" for purposes of the bill  
14 does not include a political party or religious organization.  
15 "Charitable purpose" does not include in the case of law  
16 enforcement and fire fighter organizations funds received for  
17 the organization, its members, or their families from sale of  
18 advertisements, products, or tickets for an event. Financial  
19 disclosure is required. A \$10 registration fee is  
20 established. Criminal and civil penalties are provided.

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SENATE FILE 2412

S-5568

1 Amend Senate File 2412 as follows:

2 1. Page 3, by inserting after line 27, the  
3 following:

4 "Sec. \_\_\_\_ . NEW SECTION. 122.2A USE OF ANOTHER  
5 ORGANIZATION'S NAME IN SOLICITATION -- PENALTY.

6 A charitable organization shall not solicit  
7 contributions for a charitable purpose in this state,  
8 where the charitable organization claims that a  
9 portion or all of the contributions received will be  
10 given to another charitable organization in this  
11 state, without first placing on file with the attorney  
12 general written permission from the other charitable  
13 organization that its name may be referred to as part  
14 of the solicitation. Violation of this section is a  
15 fraudulent practice pursuant to chapter 714, and is  
16 subject to the penalties of chapter 714."

17 2. Page 4, by inserting after line 3, the  
18 following:

19 "Sec. \_\_\_\_ . Section 714.8, Code 1989, is amended by  
20 adding the following new subsection:

21 NEW SUBSECTION. 6A. For the purpose of soliciting  
22 contributions, if the solicitor is a charitable  
23 organization which claims that a portion or all of the  
24 contributions received will be given to another  
25 charitable organization, solicits without first  
26 placing on file with the attorney general written  
27 permission from the other charitable organization  
28 pursuant to section 122.2A. The definitions of  
29 chapter 122 apply to this subsection."

30 3. By renumbering as necessary.

By BEVERLY HANNON  
JAMES R. RIORDAN

S-5568 FILED MARCH 19, 1990

*Adopted 3/26 (p.1302)*

SENATE FILE 2412

S-5585

1 Amend Senate File 2412 as follows:

2 1. Page 3, by striking line 26, and inserting the  
3 following: "twelve months following the".

By DONALD V. DOYLE  
JIM RIORDAN

S-5585 FILED MARCH 20, 1990

*Adopted 3/26 (p.1302)*

SENATE FILE 2412

S-5604

1 Amend Senate File 2412 as follows:

2 1. Page 3, line 31, by striking the word  
3 "CRIMINAL".

By JAMES R. RIORDAN

S-5604 FILED MARCH 20, 1990

*Adopted 3/26 (p.1302)*

SENATE FILE 2412

S-5652

- 1 Amend Senate File 2412 as follows:  
2 1. Page 2, by striking lines 20 through 24.  
3 2. Page 2, lines 29 and 30, by striking the words  
4 "or the charitable organization".  
5 3. Page 2, line 35, by striking the words "or  
6 charitable organization".  
7 4. Page 3, by striking lines 5 through 8, and  
8 inserting the following: "the request. Failure to  
9 provide this information".  
10 5. Page 3, lines 10 and 11, by striking the words  
11 "or charitable organization".  
12 6. Title page, lines 1 and 2, by striking the  
13 words "charitable organizations" and inserting the  
14 following: "commercial fundraisers".  
15 7. By renumbering as necessary.

By JIM LIND

S-5652 FILED MARCH 21, 1990

*Last 3/26 (p.1302)*

SENATE FILE 2412  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 2085)  
(SUCCESSOR TO SF 2370)

(AS AMENDED AND PASSED BY THE SENATE MARCH 26, 1990)

~~\_\_\_\_\_~~ - New Language by the Senate  
\* - Language Stricken by the Senate

<sup>3/26/90</sup>  
Passed Senate, Date 4/8/90 (p. 1752) Passed House, Date 4/5/90 (p. 2092)  
Vote: Ayes 38 Nays 0 Vote: Ayes 92 Nays 0  
Approved April 27, 1990

*Motion to reconsider (p. 2096)*  
*Reconsidered. Passed 4/8/90 (p. 2400)*  
81-0

A BILL FOR

1 An Act relating to the regulation of certain charitable  
2 organizations, providing a fee, and providing a penalty.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 2412

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2 by striking the section and inserting in lieu thereof the  
3 following:

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9 "Charitable organization" does not include a political  
10 organization or a religious organization.

11 2. "Charitable purpose" means a benevolent, educational,  
12 philanthropic, humane, scientific, patriotic, social welfare  
13 or advocacy, public health, environmental, conservation,  
14 civic, or other charitable objective. In the case of law  
15 enforcement and fire fighter organizations, "charitable  
16 purpose" does not include funds raised through the sale of  
17 advertisements, products, or tickets for an event unless the  
18 organization represents that part of proceeds will be used to  
19 assist individuals other than the organization, its members,  
20 or their families.

21 3. "Political organization" means a political party, a  
22 candidate for office, or a political action committee required  
23 to file financial information with federal or state election  
24 or campaign commissions.

25 4. "Professional commercial fund-raiser" means any person  
26 who for compensation solicits contributions in Iowa for a  
27 charitable organization other than the person. A person whose  
28 sole responsibility is to mail fund-raising literature is not  
29 a professional commercial fund-raiser. A lawyer, investment  
30 counselor, or banker who advises a person to make a charitable  
31 contribution is not, as a result of such advice, a  
32 professional commercial fund-raiser. A bona fide salaried  
33 officer, employee, or volunteer of a charitable organization  
34 is not a professional commercial fund-raiser.

35 5. "Religious organization" means a religious corporation,

1 trust, foundation, association, or organization incorporated  
2 or established for religious purposes.

3 6. "Solicit" or "solicitation" means the request, directly  
4 or indirectly, for a contribution on the pleas or  
5 representation that the contribution will be used for a  
6 charitable purpose. A solicitation is deemed to have taken  
7 place whether or not the person making the solicitation  
8 receives a contribution.

9 Sec. 2. Section 122.2, Code Supplement 1989, is amended by  
10 striking the section and inserting in lieu thereof the fol-  
11 lowing:

12 122.2 REGISTRATION PERMIT REQUIRED -- FEE -- EXPIRATION.

13 1. A professional commercial fund-raiser shall not solicit  
14 contributions for charitable purposes in this state unless the  
15 professional commercial fund-raiser has registered with the  
16 attorney general, has provided the attorney general with a  
17 listing of the professional commercial fund-raiser's clients,  
18 and has obtained a registration permit from the attorney  
19 general.

20 2. A charitable organization shall not solicit  
21 contributions for charitable purposes in this state unless the  
22 charitable organization has registered with the attorney  
23 general and has obtained a registration permit from the  
24 attorney general.

25 3. The attorney general shall prescribe and furnish the  
26 registration permit application form which shall include  
27 provisions for financial disclosure information concerning  
28 contributions received and disbursements made during the  
29 previous year by the professional commercial fund-raiser or  
30 the charitable organization applying for registration.  
31 Financial disclosure information shall not include an  
32 applicant's donor lists.

33 In lieu of filing the financial disclosure information at  
34 the time of registration, the professional commercial fund-  
35 raiser or charitable organization may file a statement with

1 its permit application where it agrees to provide, without  
2 cost, the financial disclosure information required to be  
3 disclosed pursuant to this subsection to a person or  
4 government entity requesting the information within one day of  
5 the request. The statement shall include the telephone  
6 number, mailing address, and names of persons to be contacted  
7 to obtain the financial disclosure information of the  
8 charitable organization. Failure to provide this information  
9 upon request shall be a violation of this chapter.

10 If a professional commercial fund-raiser or charitable  
11 organization fails to provide the required financial  
12 information as agreed to in its statement filed with the  
13 permit application, it shall file the required financial  
14 disclosure information with the attorney general within seven  
15 days of its failure to have provided the disclosure  
16 information upon request and, thereafter, file its annual  
17 financial disclosure information with the attorney general as  
18 required by this chapter. The attorney general may require  
19 that registration information be updated on a quarterly basis.

20 The client lists of a professional commercial fund-raiser,  
21 if required to be filed as part of the application for  
22 registration, shall be confidential and may be used only for  
23 law enforcement purposes.

24 4. The attorney general shall collect a fee of ten dollars  
25 for each registration permit issued. A permit shall expire  
26 twelve months following the date of issuance.

27 Sec. 3. NEW SECTION. 122.2A USE OF ANOTHER  
28 ORGANIZATION'S NAME IN SOLICITATION -- PENALTY.

29 A charitable organization shall not solicit contributions  
30 for a charitable purpose in this state, where the charitable  
31 organization claims that a portion or all of the contributions  
32 received will be given to another charitable organization in  
33 this state, without first placing on file with the attorney  
34 general written permission from the other charitable  
35 organization that its name may be referred to as part of the

1 solicitation. Violation of this section is a fraudulent  
2 practice pursuant to chapter 714, and is subject to the  
3 penalties of chapter 714.

4 Sec. 4. Section 122.3, Code Supplement 1989, is amended by  
5 striking the section and inserting in lieu thereof the  
6 following:

\*7 122.3 ENFORCEMENT -- PENALTY.

8 The attorney general shall enforce the provisions of this  
9 chapter.

10 A violation of this chapter is a violation of section  
11 714.16, subsection 2, paragraph "a". The provisions of  
12 section 714.16, including but not limited to provisions  
13 relating to investigation, injunctive relief, and penalties,  
14 shall apply to this chapter.

15 Sec. 5. Section 714.8, Code 1989, is amended by adding the  
16 following new subsection:

17 NEW SUBSECTION. 6A. For the purpose of soliciting  
18 contributions, if the solicitor is a charitable organization  
19 which claims that a portion or all of the contributions  
20 received will be given to another charitable organization,  
21 solicits without first placing on file with the attorney  
22 general written permission from the other charitable  
23 organization pursuant to section 122.2A. The definitions of  
24 chapter 122 apply to this subsection.

25 Sec. 6. Section 122.6, Code 1989, is repealed.

26 Sec. 7. Sections 122.4, 122.5, and 122.7, Code Supplement  
27 1989, are repealed.

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HOUSE AMENDMENT TO  
"SENATE-FILE 2412"

S-6046

1 Amend Senate File 2412, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 1, lines 7 and 8, by striking the words  
4 "in an aggregate, annual amount or value of twenty-  
5 five thousand dollars or more."

6 2. Page 1, by striking line 10, and inserting the  
7 following: "organization, a religious organization,  
8 or a state, regionally, or nationally accredited  
9 college or university."

10 3. Page 1, line 15, by inserting after the word  
11 "enforcement" the following: ", emergency medical  
12 technician, paramedic,".

13 4. Page 2, line 8, by inserting after the word  
14 "contribution." the following: "'Solicitation" does  
15 not include an application for a grant from any  
16 governmental entity or private nonprofit foundation."

17 5. By striking page 2, line 12 through page 3,  
18 line 26, and inserting the following:

19 "122.2 REGISTRATION PERMIT REQUIRED -- FEE --  
20 EXPIRATION.

21 1. a. A professional commercial fund-raiser shall  
22 not solicit contributions for charitable purposes in  
23 this state unless the professional commercial fund-  
24 raiser has registered with the attorney general, has  
25 provided the attorney general with a listing of the  
26 professional commercial fund-raiser's clients, and has  
27 obtained a registration permit from the attorney  
28 general. The attorney general may require that  
29 registration information be updated on a quarterly  
30 basis.

31 b. The attorney general shall prescribe and  
32 furnish the registration permit application form which  
33 shall include provisions for financial disclosure  
34 information concerning contributions received and  
35 disbursements made during the previous year by the  
36 professional commercial fund-raiser applying for  
37 registration. Financial disclosure information shall  
38 not include an applicant's donor lists.

39 c. In lieu of filing the financial disclosure  
40 information at the time of registration, the  
41 professional commercial fund-raiser may file a  
42 statement with its permit application where it agrees  
43 to provide, without cost, the financial disclosure  
44 information required to be disclosed pursuant to this  
45 subsection to a person or government entity requesting  
46 the information within one day of the request. The  
47 statement shall include the telephone number, mailing  
48 address, and names of persons to be contacted to  
49 obtain the financial disclosure information of the  
50 fund-raiser. Failure to provide this information upon

S-6046

Page 2

1 request shall be a violation of this chapter.

2 2. A charitable organization shall provide, upon  
3 request and without cost to the requesting party,  
4 financial disclosure information concerning  
5 contributions received and disbursements for the  
6 organization's last complete fiscal year, or, if the  
7 organization has not completed a full fiscal year, for  
8 its current fiscal year, to the attorney general or a  
9 person requesting the information within five days of  
10 the request.

11 3. a. If a professional commercial fund-raiser or  
12 charitable organization fails to provide financial  
13 information as required or requested, the fund-raiser  
14 or organization shall file the financial disclosure  
15 information with the attorney general within seven  
16 days of its failure to have provided the disclosure  
17 information and, thereafter, file, if required by the  
18 attorney general, annual financial disclosure  
19 information with the attorney general.

20 b. The attorney general may seek an injunction  
21 pursuant to section 714.16 prohibiting the  
22 professional commercial fund-raiser or charitable  
23 organization from soliciting contributions until the  
24 required financial information has been disclosed to  
25 the attorney general, person, or government entity  
26 making the request.

27 4. The client lists of a professional commercial  
28 fund-raiser, if required to be filed as part of the  
29 application for registration, shall be confidential  
30 and may be used only for law enforcement purposes.

31 5. The attorney general shall collect a fee of ten  
32 dollars for each registration permit issued. A permit  
33 shall expire twelve months following the date of  
34 issuance.

35 6. The attorney general may make reasonable rules  
36 to enforce the provisions of this chapter."

37 6. Page 3, lines 33 and 34, by striking the words  
38 "first placing on file with the attorney general  
39 written".

40 7. Page 4, by striking lines 1 through 3 and  
41 inserting the following: "solicitation."

42 8. Page 4, by striking lines 15 through 24.

43 9. By renumbering, relettering, or redesignating  
44 and correcting internal references as necessary.

RECEIVED FROM THE HOUSE

S-6046 FILED APRIL 8, 1990

CONCURRED (p.1752)

## SENATE FILE 2412

-6181

Amend Senate File 2412, as amended, passed, and reprinted by the Senate, as follows:

1. Page 1, lines 7 and 8, by striking the words "in an aggregate, annual amount or value of twenty-five thousand dollars or more."

2. By striking page 2, line 12 through page 3, line 26, and inserting the following:

"122.2 REGISTRATION PERMIT REQUIRED -- FEE -- EXPIRATION.

1. a. A professional commercial fund-raiser shall not solicit contributions for charitable purposes in this state unless the professional commercial fund-raiser has registered with the attorney general, has provided the attorney general with a listing of the professional commercial fund-raiser's clients, and has obtained a registration permit from the attorney general. The attorney general may require that registration information be updated on a quarterly basis.

b. The attorney general shall prescribe and furnish the registration permit application form which shall include provisions for financial disclosure information concerning contributions received and disbursements made during the previous year by the professional commercial fund-raiser applying for registration. Financial disclosure information shall not include an applicant's donor lists.

c. In lieu of filing the financial disclosure information at the time of registration, the professional commercial fund-raiser may file a statement with its permit application where it agrees to provide, without cost, the financial disclosure information required to be disclosed pursuant to this subsection to a person or government entity requesting the information within one day of the request. The statement shall include the telephone number, mailing address, and names of persons to be contacted to obtain the financial disclosure information of the fund-raiser. Failure to provide this information upon request shall be a violation of this chapter.

2. A charitable organization shall provide, upon request and without cost to the requesting party, financial disclosure information concerning contributions received and disbursements for the organization's last complete fiscal year, or, if the organization has not completed a full fiscal year, for its current fiscal year, to the attorney general or a person requesting the information within five days of the request.

3. a. If a professional commercial fund-raiser or

H-6181

Page 2

1 charitable organization fails to provide financial  
2 information as required or requested, the fund-raiser  
3 or organization shall file the financial disclosure  
4 information with the attorney general within seven  
5 days of its failure to have provided the disclosure  
6 information and, thereafter, file, if required by the  
7 attorney general, annual financial disclosure  
8 information with the attorney general.

9 b. The attorney general may seek an injunction  
10 pursuant to section 714.16 prohibiting the  
11 professional commercial fund-raiser or charitable  
12 organization from soliciting contributions until the  
13 required financial information has been disclosed to  
14 the attorney general, person, or government entity  
15 making the request.

16 4. The client lists of a professional commercial  
17 fund-raiser, if required to be filed as part of the  
18 application for registration, shall be confidential  
19 and may be used only for law enforcement purposes.

20 5. The attorney general shall collect a fee of ten  
21 dollars for each registration permit issued. A permit  
22 shall expire twelve months following the date of  
23 issuance.

24 6. The attorney general may make reasonable rules  
25 to enforce the provisions of this chapter."

26 3. Page 3, lines 33 and 34, by striking the words  
27 "first placing on file with the attorney general  
28 written".

29 4. Page 4, by striking lines 1 through 3 and  
30 inserting the following: "solicitation."

31 5. Page 4, by striking lines 15 through 24.

32 6. By renumbering as necessary.

By JAY of Appanoose  
MURPHY of Dubuque

H-6181 FILED APRIL 7, 1990  
ADOPTED (p 2400)

SENATE FILE 2412

H-5962

- 1 Amend Senate File 2412, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 2, line 8, by inserting after the word
- 4 "contribution." the following: "'Solicitation" does
- 5 not include an application for a grant from any
- 6 governmental entity or private nonprofit foundation."

By COMMITTEE ON WAYS AND MEANS  
TABOR of Jackson, Chairperson

H-5962 FILED MARCH 29, 1990

*Adopted 4/5 (p. 2090)*

SENATE FILE 2412

H-5970

- 1 Amend Senate File 2412, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 1, line 15, by inserting after the word
- 4 "enforcement" the following: ", emergency medical
- 5 technician, paramedic,".

By MURPHY of Dubuque  
BENNETT of Ida

H-5970 FILED MARCH 29, 1990

*Adopted 4/5 (p. 2091)*

SENATE FILE 2412

H-6029

- 1 Amend Senate File 2412, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 1, by striking line 10, and inserting the
- 4 following: "organization, a religious organization,
- 5 or a state or regionally accredited educational
- 6 institution."

By MURPHY of Dubuque

H-6029 FILED APRIL 2, 1990

*3/10 4/5 (p. 2091)*

SENATE FILE 2412

H-6041

- 1 Amend Senate File 2412, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 1, by striking line 10, and inserting the
- 4 following: "organization, a religious organization,
- 5 or a state, regionally, or nationally accredited
- 6 college or university."

By MURPHY of Dubuque

H-6041 FILED APRIL 2, 1990

*Adopted 4/5 (p. 2091)*

SENATE FILE 2412

H-6132

1 Amend Senate File 2412, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. By striking everything after the enacting  
4 clause and inserting the following:  
5 "Section 1. REPEALS.  
6 1. Sections 122.1 through 122.5, and 122.7, Code  
7 Supplement 1989, are repealed.  
8 2. Section 122.6, Code 1989, is repealed."  
9 2. Title page, by striking lines 1 and 2, and  
10 inserting the following: "An Act repealing the Code  
11 provisions relating to the regulation of organizations  
12 soliciting public donations."

By JAY of Appanoose  
McKINNEY of Dallas  
TRENT of Muscatine  
NEUHAUSER of Johnson  
HERMANN of Scott

HALVORSON of Clayton  
WISE of Lee  
SHERZAN of Polk  
DODERER of Johnson  
GRONINGA of Cerro Gordo

H-6132 FILED APRIL 5, 1990

LOST (y 2091)

SENATE FILE 2412

AN ACT  
RELATING TO THE REGULATION OF CERTAIN CHARITABLE ORGANIZATIONS, PROVIDING A FEE, AND PROVIDING A PENALTY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 122.1, Code Supplement 1989, is amended by striking the section and inserting in lieu thereof the following:

122.1 DEFINITIONS.

1. "Charitable organization" means a person who solicits or purports to solicit contributions for a charitable purpose and which receives contributions. "Charitable organization" does not include a political organization, a religious organization, or a state, regionally, or nationally accredited college or university.

2. "Charitable purpose" means a benevolent, educational, philanthropic, humane, scientific, patriotic, social welfare or advocacy, public health, environmental, conservation, civic, or other charitable objective. In the case of law enforcement, emergency medical technician, paramedic, and fire fighter organizations, "charitable purpose" does not include funds raised through the sale of advertisements, products, or tickets for an event unless the organization represents that part of proceeds will be used to assist individuals other than the organization, its members, or their families.

3. "Political organization" means a political party, a candidate for office, or a political action committee required to file financial information with federal or state election or campaign commissions.

4. "Professional commercial fund-raiser" means any person who for compensation solicits contributions in Iowa for a charitable organization other than the person. A person whose sole responsibility is to mail fund-raising literature is not a professional commercial fund-raiser. A lawyer, investment counselor, or banker who advises a person to make a charitable contribution is not, as a result of such advice, a professional commercial fund-raiser. A bona fide salaried officer, employee, or volunteer of a charitable organization is not a professional commercial fund-raiser.

5. "Religious organization" means a religious corporation, trust, foundation, association, or organization incorporated or established for religious purposes.

6. "Solicit" or "solicitation" means the request, directly or indirectly, for a contribution on the pleas or representation that the contribution will be used for a charitable purpose. A solicitation is deemed to have taken place whether or not the person making the solicitation receives a contribution. "Solicitation" does not include an application for a grant from any governmental entity or private nonprofit foundation.

Sec. 2. Section 122.2, Code Supplement 1989, is amended by striking the section and inserting in lieu thereof the following:

122.2 REGISTRATION PERMIT REQUIRED -- FEE -- EXPIRATION.

1. a. A professional commercial fund-raiser shall not solicit contributions for charitable purposes in this state unless the professional commercial fund-raiser has registered with the attorney general, has provided the attorney general with a listing of the professional commercial fund-raiser's clients, and has obtained a registration permit from the

attorney general. The attorney general may require that registration information be updated on a quarterly basis.

b. The attorney general shall prescribe and furnish the registration permit application form which shall include provisions for financial disclosure information concerning contributions received and disbursements made during the previous year by the professional commercial fund-raiser applying for registration. Financial disclosure information shall not include an applicant's donor lists.

c. In lieu of filing the financial disclosure information at the time of registration, the professional commercial fund-raiser may file a statement with its permit application where it agrees to provide, without cost, the financial disclosure information required to be disclosed pursuant to this subsection to a person or government entity requesting the information within one day of the request. The statement shall include the telephone number, mailing address, and names of persons to be contacted to obtain the financial disclosure information of the fund-raiser. Failure to provide this information upon request shall be a violation of this chapter.

2. A charitable organization shall provide, upon request and without cost to the requesting party, financial disclosure information concerning contributions received and disbursements for the organization's last complete fiscal year, or, if the organization has not completed a full fiscal year, for its current fiscal year, to the attorney general or a person requesting the information within five days of the request.

3. a. If a professional commercial fund-raiser or charitable organization fails to provide financial information as required or requested, the fund-raiser or organization shall file the financial disclosure information with the attorney general within seven days of its failure to have provided the disclosure information and, thereafter, file, if required by the attorney general, annual financial disclosure information with the attorney general.

b. The attorney general may seek an injunction pursuant to section 714.16 prohibiting the professional commercial fund-raiser or charitable organization from soliciting contributions until the required financial information has been disclosed to the attorney general, person, or government entity making the request.

4. The client lists of a professional commercial fund-raiser, if required to be filed as part of the application for registration, shall be confidential and may be used only for law enforcement purposes.

5. The attorney general shall collect a fee of ten dollars for each registration permit issued. A permit shall expire twelve months following the date of issuance.

6. The attorney general may make reasonable rules to enforce the provisions of this chapter.

Sec. 3. NEW SECTION. 122.2A USE OF ANOTHER ORGANIZATION'S NAME IN SOLICITATION -- PENALTY.

A charitable organization shall not solicit contributions for a charitable purpose in this state, where the charitable organization claims that a portion or all of the contributions received will be given to another charitable organization in this state, without permission from the other charitable organization that its name may be referred to as part of the solicitation.

Sec. 4. Section 122.3, Code Supplement 1989, is amended by striking the section and inserting in lieu thereof the following:

122.3 ENFORCEMENT -- PENALTY.

The attorney general shall enforce the provisions of this chapter.

A violation of this chapter is a violation of section 714.16, subsection 2, paragraph "a". The provisions of section 714.16, including but not limited to provisions relating to investigation, injunctive relief, and penalties, shall apply to this chapter.

Sec. 5. Section 122.6, Code 1989, is repealed.

Sec. 6. Sections 122.4, 122.5, and 122.7, Code Supplement 1989, are repealed.

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JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2412, Seventy-third General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved April 27, 1990

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TERRY E. BRANSTAD  
Governor