

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL 429
PROPOSED COMMITTEE SUBSTITUTE S429-PCS35276-BA-23

Short Title: Modify Charitable Solicitation Licensing Laws.

(Public)

Sponsors:

Referred to:

April 3, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE QUALIFYING INCOME THRESHOLD FOR EXEMPTION
3 FROM CHARITABLE SOLICITATION REQUIREMENTS AND TO MODIFY THE
4 DEADLINES FOR LICENSURE RENEWAL FOR CHARITABLE ORGANIZATIONS.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 131F-3 reads as rewritten:

7 "§ 131F-3. Exemptions.

8 The following are exempt from the provisions of this Chapter:

9 ...

10 (3) Any person who receives less than ~~twenty-five thousand dollars (\$25,000)~~
11 fifty thousand dollars (\$50,000) in contributions in any calendar year and does
12 not provide compensation to any officer, trustee, organizer, incorporator,
13 fund-raiser, or solicitor. Compensation to any organizer or incorporator does
14 not include professional fees paid to licensed attorneys or licensed
15 accountants. A charitable organization may demonstrate to the Department
16 that it receives less than fifty thousand dollars (\$50,000) in contributions by
17 providing any of the following:

- 18 a. A copy of its most recently completed and filed Internal Revenue
19 Service Form 990 or Form 990-EZ or an applicable successor form.
20 b. A copy of the message confirming its submission of the Internal
21 Revenue Service Form 990-N or an applicable successor form.
22 c. A copy of its budget for the current year that was approved by its
23 governing board and that includes projected revenue and projected
24 expenses.
25 d. A completed financial form developed by the Department.
26 e. Any other evidence satisfactory to the Department.

27"

28 SECTION 2. G.S. 131F-5 reads as rewritten:

29 "§ 131F-5. Licensure of charitable organizations and sponsors required.

30 ...

31 (c) License Renewal. – The license shall be renewed on an annual basis. Any change in
32 information from the original application for a license shall be filed annually on or before the
33 fifteenth day of the fifth calendar month after the close of each fiscal year in which the charitable
34 organization or sponsor solicited in this State, or by the date of any applicable extension of the
35 federal informational tax form filing date, ~~whichever is later, provided that extensions given~~
36 ~~under this section shall not exceed three months after the initial renewal date or eight months~~



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1 ~~after the conclusion of the year for which financial information is due at the time of renewal.~~
2 ~~later. For the purposes of this section, a license renewal application is considered filed as of the~~
3 ~~date shown on the postmark affixed, or, if filed electronically, when it is sent as provided in~~
4 ~~G.S. 66-325. A charitable organization or sponsor whose federal informational tax form filing~~
5 ~~date has been extended pursuant to filing the federal application for automatic extension shall,~~
6 ~~within seven days after receipt, forward filing the application for automatic extension, notify the~~
7 ~~Department that the license renewal period is extended by forwarding a copy of the document~~
8 ~~granting the extension application to the Department.~~

9 (d) Extension of Time. – For good cause shown, the Department may extend the time for
10 the license renewal and the annual filing of updated information for a period not to exceed 60
11 ~~days, days beyond the (i) fifteenth day of the fifth calendar month after the close of each fiscal~~
12 ~~year in which the charitable organization or sponsor solicited in this State or (ii) date of any~~
13 ~~applicable extension of the federal informational tax form filing date, during which time the~~
14 ~~previous license shall remain in effect. The Department may extend the time for a charitable~~
15 ~~organization or sponsor whose federal informational tax form filing date has been extended~~
16 ~~pursuant to filing the federal application for automatic extension for an additional period not to~~
17 ~~exceed 60 days."~~

18 **SECTION 3.** Section 1 of this act is effective when it becomes law and applies to
19 requests for exemptions filed on or after that date. Section 2 of this act becomes effective October
20 1, 2023, and applies to license renewals filed on or after that date. The remainder of this act is
21 effective when it becomes law.