

## Article 2.

### Charitable Organizations and Sponsors.

#### **§ 131F-5. Licensure of charitable organizations and sponsors required.**

(a) License Required. – Unless exempted under G.S. 131F-3, a charitable organization, sponsor, or person that intends to solicit contributions in this State, to have funds solicited on its behalf, or to participate in a charitable sales promotion or sponsor sales promotion shall obtain a license by filing an application with the Department, obtaining approval of that application by the Department, and paying the applicable fee.

(b) Departmental Review. – The Department shall examine each application filed by a charitable organization or sponsor and shall determine whether the licensing requirements are satisfied. If the Department determines that the requirements are not satisfied, the Department shall notify the charitable organization or sponsor within 10 days after its receipt of the application. If the Department does not notify the charitable organization or sponsor within 10 days, the application is deemed to be approved and the license shall be granted. Within seven days after receipt of a notification that the requirements are not satisfied, the charitable organization or sponsor may file a petition for a contested case. The State has the burden of proof in the contested case. The contested case hearing must be held within seven days after the petition is filed. A final decision must be made within five days of the hearing. The contested case hearing proceedings shall be conducted in accordance with Chapter 150B of the General Statutes except that the time limits and provisions set forth in this section shall prevail to the extent of any conflict. The applicant shall be permitted to continue to operate or continue operations pending judicial review of the Department's denial of the application. The Department shall make rules regarding the custody and control of any funds collected during the review period and disposal of such funds in the event the denial of the application is affirmed on appeal.

(c) License Renewal. – The license shall be renewed on an annual basis. Any change in information from the original application for a license shall be filed annually on or before the fifteenth day of the fifth calendar month after the close of each fiscal year in which the charitable organization or sponsor solicited in this State, or by the date of any applicable extension of the federal informational tax form filing date, whichever is later. For the purposes of this section, a license renewal application is considered filed as of the date shown on the postmark affixed, or, if filed electronically, when it is sent as provided in G.S. 66-325. A charitable organization or sponsor whose federal informational tax form filing date has been extended pursuant to filing the federal application for automatic extension shall, within seven days after filing the application for automatic extension, notify the Department that the license renewal period is extended by forwarding a copy of the application to the Department.

(d) Extension of Time. – For good cause shown, the Department may extend the time for the license renewal and the annual filing of updated information for a period not to exceed 60 days beyond the (i) fifteenth day of the fifth calendar month after the close of each fiscal year in which the charitable organization or sponsor solicited in this State or (ii) date of any applicable extension of the federal informational tax form filing date, during which time the previous license shall remain in effect. The Department may extend the time for a charitable organization or sponsor whose federal informational tax form filing date has been extended pursuant to filing the federal application for automatic extension for an additional period not to exceed 60 days. (1981, c. 886, s. 1; 1985, c. 497, s. 3; 1987, c. 827, ss. 1, 239; 1989, c. 566, s. 1; 1993 (Reg. Sess., 1994), c. 759, s. 2; 2011-398, s. 47; 2023-119, s. 2.)