

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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HOUSE BILL 695

Short Title: Modify Charitable Solicitation Licensing Laws. (Public)

Sponsors: Representatives Lofton, Howard, Reives, and Moffitt (Primary Sponsors).  
*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: State Government, if favorable, Judiciary 1, if favorable, Rules, Calendar, and Operations of the House

April 28, 2021

1 A BILL TO BE ENTITLED  
2 AN ACT TO INCREASE THE QUALIFYING INCOME THRESHOLD FOR EXEMPTION  
3 FROM CHARITABLE SOLICITATION REQUIREMENTS, TO MODIFY THE  
4 DEADLINES FOR LICENSURE RENEWAL FOR CHARITABLE ORGANIZATIONS,  
5 AND TO REMOVE THE REQUIREMENT THAT APPLICATIONS FOR LICENSURE  
6 AND CERTAIN FINANCIAL REPORTS BE NOTARIZED.

7 The General Assembly of North Carolina enacts:

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

9 "§ 131F-3. Exemptions.

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

11 ...

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

20 a. A copy of its most recently completed and filed Internal Revenue  
21 Service Form 990 or Form 990-EZ or an applicable successor form.

22 b. A copy of the message confirming its submission of the Internal  
23 Revenue Service Form 990-N or an applicable successor form.

24 c. A copy of its budget for the current year that was approved by its  
25 governing board and that includes projected revenue and projected  
26 expenses.

27 d. A completed financial form developed by the Department.

28 e. Any other evidence satisfactory to the Department.

29 ...."

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

31 "§ 131F-5. Licensure of charitable organizations and sponsors required.

32 ...

33 (c) License Renewal. – The license shall be renewed on an annual basis. Any change in  
34 information from the original application for a license shall be filed annually on or before the



1 fifteenth day of the fifth calendar month after the close of each fiscal year in which the charitable  
2 organization or sponsor solicited in this State, or by the date of any applicable extension of the  
3 federal informational tax form filing date, whichever is later, ~~provided that extensions given~~  
4 ~~under this section shall not exceed three months after the initial renewal date or eight months~~  
5 ~~after the conclusion of the year for which financial information is due at the time of renewal.~~  
6 later. For the purposes of this section, a license renewal application is considered filed as of the  
7 date shown on the postmark affixed, or, if filed electronically, when it is sent as provided in  
8 G.S. 66-325. A charitable organization or sponsor whose federal informational tax form filing  
9 date has been extended pursuant to filing the federal application for automatic extension shall,  
10 within seven days after receipt, forward filing the application for automatic extension, notify the  
11 Department that the license renewal period is extended by forwarding a copy of the document  
12 granting the extension application to the Department.

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

22 **SECTION 3.(a)** G.S. 131F-6(a) reads as rewritten:

23 **"§ 131F-6. Information required for licensure.**

24 (a) Initial Information Required. – The initial application for a license for a charitable  
25 organization or sponsor shall be submitted on a form provided by the Department, signed ~~under~~  
26 ~~oath~~ by the treasurer or chief fiscal officer of the charitable organization or sponsor, and shall  
27 include the following:

28 ...."

29 **SECTION 3.(b)** G.S. 131F-15 reads as rewritten:

30 **"§ 131F-15. License required for fund-raising consultant.**

31 ...

32 (b) License Application. – Applications for a license or renewal of a license shall be  
33 submitted on a form provided by the Department, shall be ~~signed under oath,~~ signed, and shall  
34 include the following:

35 ...."

36 **SECTION 3.(c)** G.S. 131F-16 reads as rewritten:

37 **"§ 131F-16. License required for solicitors.**

38 ...

39 (b) Applications. – Applications for a license or renewal of a license shall be submitted  
40 on a form provided by the Department, shall be ~~signed under oath,~~ signed, and shall include the  
41 following information:

42 ...

43 (h) Financial Report. – Within 90 days after a solicitation campaign has been completed  
44 and on the anniversary of the commencement of a solicitation campaign lasting more than one  
45 year, the solicitor shall provide to the charitable organization or sponsor and file with the  
46 Department a financial report of the campaign, including the gross revenue received, an  
47 itemization of all expenses incurred, and the fixed percentage of the gross revenue that the  
48 charitable organization or sponsor received as a benefit from the solicitation campaign. The  
49 report shall be completed on a form provided by the Department and shall be signed by an  
50 authorized official of the solicitor who shall certify ~~under oath~~ that the report is true and correct.

51 ...."

1           **SECTION 4.** Section 1 of this act is effective when it becomes law and applies to  
2 requests for exemptions filed on or after that date. Section 2 of this act becomes effective October  
3 1, 2021, and applies to license renewals filed on or after that date. The remainder of this act is  
4 effective when it becomes law.