

2022 -- S 2550 SUBSTITUTE A

LC004856/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO BUSINESSES AND PROFESSIONS -- SOLICITATION BY CHARITABLE ORGANIZATIONS

Introduced By: Senators Valverde, DiMario, Murray, Seveney, and Kallman

Date Introduced: March 01, 2022

Referred To: Senate Special Legislation and Veterans Affairs

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 5-53.1-3 of the General Laws in Chapter 5-53.1 entitled "Solicitation
2 by Charitable Organizations" is hereby amended to read as follows:

3 **5-53.1-3. Certain persons exempted.**

4 (a) The following persons shall not be required to file a registration statement with the
5 department:

6 (1) Educational institutions, including parent-teacher associations, the curricula of which
7 in whole or in part are registered or approved by a governmental agency as well as all other
8 educational institutions within this state recognized or certified as educational institutions by a
9 generally recognized and accepted regional or national educational accrediting organization.

10 (2) Persons requesting any contributions for the relief of any individual, specified by name
11 at the time of the solicitation, if all of the contributions collected, without any deductions
12 whatsoever, are turned over to the named beneficiary.

13 (3)(i) Any charitable organization that does not intend to solicit and receive and does not
14 actually raise or receive contributions in excess of twenty-five thousand dollars (\$25,000) during a
15 fiscal year of the charitable organization, provided none of its fundraising functions are carried on
16 by professional fundraisers and no part of its assets or income inures to the benefit of or is paid to
17 any officer, director, member (if a limited-liability company), trustee, partner, or member of the
18 charitable organization.

1 (ii) For the purpose of this subdivision, contributions received from corporations, charitable
2 foundations, government agencies, or a duly registered federated fund, incorporated community
3 appeal, or United Way, shall not be included in determining the total amount of contributions
4 received.

5 (iii) If, during the fiscal year of any charitable organization, the gross contributions
6 received by the charitable organization during that fiscal year exceed twenty-five thousand dollars
7 (\$25,000), it shall, within thirty (30) days after the date it shall have received total contributions in
8 excess of twenty-five thousand dollars (\$25,000), register with the director as required by § 5-53.1-
9 2.

10 (4) Organizations that solicit only from their own membership. The term "membership"
11 shall not include those persons who are granted a membership upon making a contribution as the
12 result of a solicitation.

13 (5) Persons soliciting contributions solely from corporations, charitable foundations, or
14 governmental agencies.

15 (6) Foundations or associations exclusively for the benefit of religious organizations,
16 education institutions, nonprofit or charitable hospitals, and public libraries.

17 (7) Hospitals that are nonprofit and charitable.

18 (8) Veterans' organizations and their auxiliaries so long as the veterans' organizations are
19 chartered under chapter 6 of title 7.

20 (9) Public libraries.

21 (10) Historical societies duly organized under the laws of this state.

22 (11) Free, not-for-profit, public art museums.

23 (12) Grange organizations and their auxiliaries.

24 (13) Churches or recognized denominations and religious organizations, societies, and
25 institutions operated, supervised, or controlled by a religious organization or society that solicit
26 from other than their own membership. Institutions indirectly or affiliated with but that are not
27 operated, supervised, or controlled by any religious organizations or religious society that own,
28 maintain, and operate homes for the aged, orphanages, and homes for unwed mothers.

29 (14) Volunteer fire and rescue associations.

30 (15) Land trusts duly organized under the laws of this state.

31 (16) Not-for-profit and nonprofit food banks or food pantries; provided, however, the
32 Rhode Island community food bank shall not be included within this classification.

33 (b) Any charitable organization claiming to be exempt from the registration requirements
34 of this chapter shall submit any information that the director may request to substantiate an

1 exemption under this section.

2 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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- 1 This act would exempt not-for-profit and nonprofit food banks and food pantries from the
- 2 registration requirements under the “solicitation for charitable organization” statute.
- 3 This act would take effect upon passage.

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