

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

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**SENATE BILL 353**

Short Title: Charitable Solicitations/Require Disclosure. (Public)

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Sponsors: Senators Bingham; Apodaca, Garwood, and Smith.

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Referred to: Judiciary II.

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March 11, 2003

A BILL TO BE ENTITLED

1  
2 AN ACT TO REQUIRE SOLICITORS OF CHARITABLE SOLICITATIONS THAT  
3 REQUEST CONTRIBUTIONS BY TELEPHONE TO, WHEN REQUESTED BY  
4 THE PERSON BEING SOLICITED ON THE TELEPHONE, CLEARLY  
5 DISCLOSE TO THAT PERSON AT THE TIME OF THE REQUEST THE FIXED  
6 PERCENTAGE OF THE GROSS REVENUES THAT THE CHARITABLE  
7 ORGANIZATION OR SPONSOR WILL RECEIVE AS A BENEFIT FROM THE  
8 SOLICITATION CAMPAIGN AND SEND THAT PERSON A COPY OF THE  
9 SOLICITOR'S MOST RECENT FINANCIAL REPORT, TO REQUIRE THIS  
10 PERCENTAGE TO BE INCLUDED IN THE SOLICITOR'S FINANCIAL  
11 REPORT, AND TO PROHIBIT A PERSON FROM MISREPRESENTING THIS  
12 REQUESTED INFORMATION.

13 The General Assembly of North Carolina enacts:

14 **SECTION 1.** G.S. 131F-17(a) reads as rewritten:

15 "(a) General Disclosures. – A solicitor shall comply with the following  
16 disclosures:

- 17 (1) Prior to orally requesting a contribution or along with a written request  
18 for a contribution, a solicitor shall clearly disclose:
- 19 a. The name of the solicitor as on file with the Department.
  - 20 b. If the individual acting on behalf of the solicitor identifies  
21 himself by name, the individual's legal name.
  - 22 c. That the caller is a paid ~~solicitor~~ solicitor by unequivocally  
23 making the following statements in substantially the following  
24 form: 'I am paid to make this solicitation by (name of solicitor).  
25 (Name of solicitor) is paid by (name of charitable organization  
26 or sponsor, as appropriate) to make this solicitation. You are  
27 free to ask me questions about the use of funds pledged.'
- 28 (2) In the case of a solicitation campaign conducted orally, whether by  
29 telephone or otherwise, any written confirmation, receipt, or reminder

1 sent to any person who has contributed or has pledged to contribute,  
2 shall include a clear disclosure of the information required under  
3 subdivision (1) of this subsection.

- 4 (3) In addition to the information required by subdivision (1) of this  
5 subsection, any written confirmation, receipt, or reminder of  
6 contribution made pursuant to an oral solicitation and any written  
7 solicitation shall conspicuously state in type of a minimum of nine  
8 points:

9 'Financial information about the solicitor and a copy of its license  
10 are available from the State Solicitation Licensing Branch at  
11 [telephone number]. The license is not an endorsement by the State.'

12 The statement shall be made conspicuous by use of one or more of  
13 the following: underlining, a border, or bold type. When the  
14 solicitation materials consist of more than one piece, the statement  
15 shall be displayed prominently in the solicitation materials, but not  
16 necessarily on every page.

- 17 (4) If requested by the person being solicited, the solicitor shall inform  
18 that ~~person, in writing, within 14 days of the request, person~~  
19 immediately, at the time of the request, of the fixed percentage of the  
20 gross revenue or the reasonable estimate of the percentage of the gross  
21 revenue that the charitable organization or sponsor will receive as a  
22 benefit from the solicitation ~~campaign-campaign, and the solicitor shall~~  
23 send that person within 14 days a copy of the solicitor's most recent  
24 financial report under G.S. 131F-16(h).

- 25 (5) If requested by the person being solicited, the solicitor shall inform  
26 that person, in writing, within 14 days of the request, of the percentage  
27 of the contribution which may be deducted as a charitable contribution  
28 under federal income tax laws."

29 **SECTION 2.** G.S. 131F-16(h) reads as rewritten:

30 "(h) Financial Report. – Within 90 days after a solicitation campaign has been  
31 completed and on the anniversary of the commencement of a solicitation campaign  
32 lasting more than one year, the solicitor shall provide to the charitable organization or  
33 sponsor and file with the Department a financial report of the campaign, including the  
34 gross revenue ~~received and received~~, an itemization of all expenses ~~incurred-incurred~~,  
35 and the fixed percentage of the gross revenue that the charitable organization or sponsor  
36 received as a benefit from the solicitation campaign. The report shall be completed on a  
37 form provided by the Department and shall be signed by an authorized official of the  
38 solicitor who shall certify under oath that the report is true and correct."

39 **SECTION 3.** G.S. 131F-20 reads as rewritten:

40 "**§ 131F-20. Prohibited acts.**

41 It is unlawful for any person to:

- 42 ...  
43 (10) Represent that a charitable organization or sponsor will receive a fixed  
44 or estimated percentage of the gross revenue from a solicitation

1 campaign greater than that disclosed under G.S. 131F-17(a) or that  
2 identified in filings with the Department under this Chapter, or that a  
3 charitable organization or sponsor will receive an actual or estimated  
4 dollar amount or percentage per unit of goods or services purchased or  
5 used in the charitable or sponsor sales promotion that is greater than  
6 that agreed to by the coventurer and the charitable organization or  
7 sponsor.

8 ..."

9 **SECTION 4.** This act is effective when it becomes law and applies to any  
10 charitable solicitation subject to Chapter 131F of the General Statutes that is conducted  
11 on or after that date.