

ASSEMBLY BILL NO. 50—COMMITTEE ON JUDICIARY

(ON BEHALF OF THE SECRETARY OF STATE)

PREFILED DECEMBER 20, 2014

Referred to Committee on Judiciary

SUMMARY—Revises provisions concerning the solicitation of contributions. (BDR 7-447)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to solicitation of contributions; requiring certain charitable organizations to register with the Secretary of State before soliciting charitable contributions in this State; requiring the Secretary of State to provide to the public certain information concerning such registered charitable organizations; revising provisions governing the enforcement of certain requirements imposed on certain nonprofit and charitable organizations; revising provisions governing the disclosure of certain information in a solicitation for contributions for or on behalf of a nonprofit or charitable organization; authorizing the imposition of penalties; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law governs the solicitation of charitable contributions within the State
2 by nonprofit corporations. (NRS 82.382-82.417) **Section 27** of this bill repeals
3 those provisions of existing law. **Sections 2-22** of this bill reenact and revise those
4 repealed sections to provide governance of the solicitation of charitable and other
5 contributions by all charitable organizations and nonprofit organizations in this
6 State.
7 **Section 14** requires every charitable organization that intends to solicit tax-
8 deductible charitable contributions in this State, other than certain types of
9 charitable organizations exempted by **section 15**, to register with the Secretary of
10 State by filing certain information and a financial report with the Secretary of State
11 before the charitable organization first solicits a charitable contribution in this State
12 or has a charitable contribution solicited in this State on its behalf by another



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13 person and annually thereafter. In certain circumstances, **section 14** authorizes a
14 charitable organization to submit a copy of its Form 990 as filed with the Internal
15 Revenue Service for the most recent fiscal year as its financial report. **Section 18**
16 requires the Secretary of State to make available the information and financial
17 report on the Secretary of State's Internet website.

18 **Section 19** provides that if a charitable organization fails to file the information
19 and financial report as required for registration on or before the due date, the
20 Secretary of State will impose a \$50 penalty and notify the organization. If
21 the charitable organization fails to file the information and financial report and pay
22 the penalty within 90 days after receiving notice, **section 19** further authorizes the
23 Secretary of State to impose a civil penalty of not more than \$1,000 and issue a
24 cease and desist order prohibiting any further solicitation of contributions by the
25 organization. If the charitable organization fails to pay the penalty or comply with
26 the cease and desist order, **section 19** authorizes the Secretary of State to: (1) forfeit
27 the right of the charitable organization to transact business in this State; and (2)
28 refer the matter to the Attorney General for a determination of whether to institute
29 the appropriate proceedings in a court of competent jurisdiction.

30 **Section 20** requires the Secretary of State to provide written notice to a person
31 who is alleged to have violated certain provisions of law governing the solicitation
32 of charitable contributions if the Secretary of State believes such a violation has
33 occurred. **Section 20** further authorizes the Secretary of State to refer a violation of
34 certain provisions of law governing the solicitation of charitable contributions to
35 the Attorney General for a determination of whether to institute the appropriate
36 proceedings in a court of competent jurisdiction. Under **section 20**, in such a
37 proceeding, in addition to any other penalty imposed by law, the Attorney General
38 may seek an injunction or other equitable relief and a civil penalty of not more than
39 \$1,000. If the Attorney General prevails in the proceeding, the Attorney General is
40 entitled to recover the costs of the proceeding, including, without limitation,
41 investigation costs and reasonable attorney's fees.

42 Existing law requires a person soliciting a contribution for or on behalf of a
43 charitable organization or nonprofit corporation to make certain disclosures, and
44 provides that under certain circumstances, a failure to make such disclosures is a
45 deceptive trade practice. (NRS 598.1305) **Sections 16 and 17** revise the types of
46 charitable and nonprofit organizations to which this requirement applies and
47 exempt certain solicitations from this requirement. **Sections 16 and 25** further
48 provide that a failure to make the required disclosures is no longer a deceptive trade
49 practice, and transfer primary jurisdiction for enforcing the disclosure requirement
50 from the Attorney General to the Secretary of State.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Title 7 of NRS is hereby amended by adding
2 thereto a new chapter to consist of the provisions set forth as
3 sections 2 to 22, inclusive, of this act.

4 **Sec. 2.** *As used in this chapter, unless the context otherwise*
5 *requires, the words and terms defined in sections 3 to 12,*
6 *inclusive, of this act have the meanings attributed to them in those*
7 *sections.*

8 **Sec. 3.** *"Alumni association" means an organization whose*
9 *membership is limited to graduates or former students of a*



1 *particular university, college or school and which raises funds to*
2 *support its membership and its activities.*

3 **Sec. 4.** *“Charitable contribution” means a contribution that*
4 *is allowable as a tax deductible contribution pursuant to the*
5 *provisions of section 170(c) of the Internal Revenue Code of 1986,*
6 *26 U.S.C. § 170(c), future amendments to that section and the*
7 *corresponding provisions of future internal revenue laws.*

8 **Sec. 5.** *“Charitable organization” means any person who*
9 *directly or indirectly, solicits contributions, and who the Secretary*
10 *of the Treasury has determined to be tax exempt pursuant to the*
11 *provisions of section 501(c)(3) of the Internal Revenue Code, 26*
12 *U.S.C. § 501(c)(3). The term does not include an organization that*
13 *is established for and serving bona fide religious purposes.*

14 **Sec. 6.** *“Charitable promotion, service or activity” means an*
15 *advertising or sales campaign conducted by a for-profit entity or*
16 *business, which represents that the purchase of goods or services*
17 *or participation in an activity will benefit, in whole or in part, a*
18 *charitable organization, nonprofit organization or charitable*
19 *purpose.*

20 **Sec. 7.** *“Church” means a religious organization which*
21 *holds property for charitable or religious purposes. The term may*
22 *include, without limitation, a mosque, synagogue or temple.*

23 **Sec. 8.** *“Contribution” means the promise or grant of any*
24 *money or property of any kind or value.*

25 **Sec. 9.** *“Corporation for Public Broadcasting” means the*
26 *corporation established pursuant to 47 U.S.C. § 396(b).*

27 **Sec. 10.** *“Form 990” means the Return of Organization*
28 *Exempt from Income Tax (Form 990) of the Internal Revenue*
29 *Service of the United States Department of the Treasury, or any*
30 *equivalent or successor form of the Internal Revenue Service.*

31 **Sec. 11.** *“Nonprofit organization” means an organization*
32 *which qualifies as tax exempt pursuant to section 501(c) of the*
33 *Internal Revenue Code.*

34 **Sec. 12.** *“Solicit” means to request a contribution, donation,*
35 *gift or the like that is made by any means, including, without*
36 *limitation:*

- 37 1. *Mail;*
- 38 2. *Commercial carrier;*
- 39 3. *Telephone, facsimile, electronic mail or other electronic*
40 *medium or device;*
- 41 4. *A face-to-face meeting; or*
- 42 5. *A special event or promotion.*

43 ↪ *The term includes, without limitation, requesting a*
44 *contribution, donation, gift or the like from a location outside of*
45 *this State to persons located in this State.*



1 **Sec. 13.** *The provisions of this chapter do not apply to a*
2 *person or other entity that is a unit or an instrumentality of the*
3 *United States Government.*

4 **Sec. 14.** 1. *Except as otherwise provided in section 15 of*
5 *this act, a charitable organization shall not solicit charitable*
6 *contributions in this State, or have charitable contributions*
7 *solicited in this State on its behalf by another person, unless the*
8 *charitable organization is registered with the Secretary of State*
9 *pursuant to this section. Each chapter, branch or affiliate of a*
10 *charitable organization may register separately.*

11 2. *A charitable organization that wishes to register with the*
12 *Secretary of State as set forth in subsection 1 must file on a form*
13 *prescribed by the Secretary of State:*

14 (a) *The information required by subsection 4; and*

15 (b) *A financial report that satisfies the requirements of*
16 *subsection 5.*

17 3. *If a charitable organization is:*

18 (a) *An entity required to file an initial or annual list with the*
19 *Secretary of State pursuant to this title, the charitable organization*
20 *must file the information and financial report required by*
21 *subsection 2 at the time of filing the initial list and at the time of*
22 *filing each annual list. If the charitable organization did not file*
23 *the information and financial report required by subsection 2 at*
24 *the time of filing its initial list or at the time of filing its most*
25 *recent annual list, it must file the information required by*
26 *subsection 2 before soliciting charitable contributions in this*
27 *State, or having charitable contributions solicited in this State on*
28 *its behalf by another person, and thereafter at the time of filing*
29 *each annual list.*

30 (b) *Not an entity required to file an initial or annual list with*
31 *the Secretary of State pursuant to this title, the charitable*
32 *organization must file the information and financial report*
33 *required by subsection 2 before it solicits charitable contributions*
34 *in this State, or has charitable contributions solicited in this State*
35 *on its behalf by another person, and annually thereafter on the*
36 *last day of the month in which the anniversary date of the initial*
37 *filing of the information and financial report.*

38 4. *The form required by subsection 2 must include, without*
39 *limitation:*

40 (a) *The exact name of the charitable organization as registered*
41 *with the Internal Revenue Service;*

42 (b) *The federal tax identification number of the charitable*
43 *organization;*

44 (c) *The name of the charitable organization as registered with*
45 *the Secretary of State or, in the case of a foreign charitable*



1 organization, the name of the foreign charitable organization as
2 filed in its jurisdiction of origin;

3 (d) The name or names under which the charitable
4 organization intends to solicit charitable contributions;

5 (e) The address and telephone number of the principal place of
6 business of the charitable organization and the address and
7 telephone number of any offices of the charitable organization in
8 this State or, if the charitable organization does not maintain an
9 office in this State, the name, address and telephone number of
10 the custodian of the financial records of the charitable
11 organization;

12 (f) The names and addresses, either residence or business, of
13 the executive personnel of the charitable organization;

14 (g) The last day of the fiscal year of the charitable
15 organization;

16 (h) The jurisdiction and date of the formation of the charitable
17 organization;

18 (i) The tax exempt status of the charitable organization;

19 (j) If the charitable organization does not file with the
20 Secretary of State articles of incorporation or any other formation
21 document, including, without limitation, a foreign qualification
22 document, as defined in NRS 77.090:

23 (1) The purpose for which the charitable organization is
24 organized; and

25 (2) The names and addresses, either residence or business,
26 of the officers, directors and trustees of the charitable
27 organization; and

28 (k) Any other information deemed necessary by the Secretary
29 of State, as prescribed by regulations adopted by the Secretary of
30 State pursuant to section 22 of this act.

31 5. Except as otherwise provided in this subsection, a financial
32 report must contain the financial information of the charitable
33 organization for the most recent fiscal year. In the discretion of
34 the Secretary of State, the financial report may be a copy of the
35 Form 990 of the charitable organization, with all schedules except
36 the schedules of donors, for the most recent fiscal year. If a
37 charitable organization was first formed within the past year and
38 does not have any financial information or a Form 990 for its
39 most recent fiscal year, the charitable organization must complete
40 the financial report on a form prescribed by the Secretary of State
41 using good faith estimates for its current fiscal year.

42 6. All information and the financial report filed pursuant to
43 this section are public records. The filing of information pursuant
44 to this section is not an endorsement of any charitable
45 organization by the Secretary of State or the State of Nevada.



1 **Sec. 15. 1.** *A charitable organization is not required to be*
2 *registered with the Secretary of State pursuant to section 14 of this*
3 *act during any year in which its only solicitations for*
4 *contributions, donations, gifts or the like are:*

5 *(a) Directed only to a total of fewer than 15 persons annually;*

6 *(b) Directed only to persons who are related within the third*
7 *degree of consanguinity or affinity to the officers, directors,*
8 *trustees or executive personnel of the charitable organization;*

9 *(c) Conducted by a church or one or more of its integrated*
10 *auxiliaries or by a convention or association of churches that is*
11 *exempt from taxation pursuant to section 501(c)(3) of the Internal*
12 *Revenue Code, 26 U.S.C. § 501(c)(3), and exempt from filing an*
13 *annual return pursuant to section 6033 of the Internal Revenue*
14 *Code, 26 U.S.C. § 6033;*

15 *(d) Appeals for funds to benefit a particular person or his or*
16 *her immediate family named in the solicitation, but only if all the*
17 *proceeds of the solicitation are given to or expended for the direct*
18 *benefit of the person or his or her immediate family; or*

19 *(e) Conducted by an alumni association of an accredited*
20 *institution which solicits only persons who have an established*
21 *affiliation with the institution, including, without limitation,*
22 *current and former students, members of the faculty or staff, or*
23 *persons who are within the third degree of consanguinity or*
24 *affinity of such persons.*

25 **2.** *A charitable organization that believes it is exempt from*
26 *registration pursuant to this section must, before it solicits a*
27 *charitable contribution in this State or has a charitable*
28 *contribution solicited in this State on its behalf by another person,*
29 *and annually thereafter, file a declaration of exemption on a form*
30 *prescribed by the Secretary of State.*

31 **Sec. 16. 1.** *Except as otherwise provided in this section and*
32 *section 17 of this act, any solicitation for a contribution by, for or*
33 *on behalf of a charitable organization or nonprofit organization,*
34 *including, without limitation, a solicitation by means of electronic*
35 *mail or other electronic medium or device, must provide a*
36 *disclosure which contains:*

37 *(a) The full legal name of the charitable organization or*
38 *nonprofit organization as registered with the Secretary of State*
39 *pursuant to this title;*

40 *(b) If the charitable organization or nonprofit organization is*
41 *not registered or not required to be registered with the Secretary of*
42 *State pursuant to this title, the full legal name and the jurisdiction*
43 *where the charitable organization or nonprofit organization is*
44 *organized or was formed;*



1 (c) *A published phone number or Internet address of a website*
2 *for the charitable organization or nonprofit organization;*

3 (d) *A statement or description of the purpose of the charitable*
4 *organization or nonprofit organization; and*

5 (e) *A statement that the contribution:*

6 (1) *May be tax deductible pursuant to the provisions of*
7 *section 170(c) of the Internal Revenue Code of 1986, 26 U.S.C. §*
8 *170(c); or*

9 (2) *Does not qualify for such a federal tax deduction.*

10 2. *A solicitation or pledge drive conducted by a charitable*
11 *organization or nonprofit organization as part of a broadcast*
12 *telethon, radiothon, webcast or any similar form of broadcast*
13 *communication is not required to provide the verbal or printed*
14 *disclosure required by this section throughout the broadcast event,*
15 *but must provide the disclosure to a prospective donor before the*
16 *donor commits or pledges to make a contribution.*

17 3. *A disclosure statement provided in connection with an*
18 *appeal for funds to benefit a particular person or his or her*
19 *immediate family must contain:*

20 (a) *The name of the particular person or family members who*
21 *are to benefit from the appeal; and*

22 (b) *A statement that a contribution in response to the appeal*
23 *may not qualify for a federal tax deduction.*

24 4. *Except as provided in this subsection, a disclosure*
25 *statement required by this section must be conspicuously displayed*
26 *on any written, printed or electronic document, including, without*
27 *limitation, an image that appears on an Internet website, that*
28 *constitutes a part of the solicitation. If the solicitation materials*
29 *consist of more than one piece, the disclosure statement must be*
30 *displayed on a prominent piece of the solicitation materials.*

31 **Sec. 17.** *The requirement to provide a disclosure statement*
32 *set forth in section 16 of this act does not apply to a solicitation*
33 *that is:*

34 1. *Directed only to a total of fewer than 15 persons annually;*

35 2. *Directed to persons who are related within the third degree*
36 *of consanguinity or affinity to the officers, directors, trustees or*
37 *executive personnel of the charitable organization or nonprofit*
38 *organization;*

39 3. *Conducted by an alumni association of an accredited*
40 *institution which solicits only persons who have an established*
41 *affiliation with the institution, including, without limitation,*
42 *current and former students, members of the faculty or staff, or*
43 *persons who are within the third degree of consanguinity or*
44 *affinity of such persons;*



1 4. *Conducted by a public broadcast organization which meets*
2 *the eligibility requirements established by the Corporation for*
3 *Public Broadcasting;*

4 5. *Conducted by a church or one or more of its integrated*
5 *auxiliaries or by a convention or association of churches that is*
6 *exempt from taxation pursuant to section 501(c)(3) of the Internal*
7 *Revenue Code, 26 U.S.C. § 501(c)(3), and exempt from filing an*
8 *annual return pursuant to section 6033 of the Internal Revenue*
9 *Code, 26 U.S.C. § 6033;*

10 6. *A charitable promotion, service or activity conducted or*
11 *facilitated by a for-profit entity or business located in this State if:*

12 (a) *The sale of the goods, services or participation by the for-*
13 *profit entity or business is incidental to the ordinary transaction of*
14 *its business; and*

15 (b) *The value of the goods, services or participation acquired*
16 *by the purchaser or participant is de minimis;*

17 7. *Direct sales of tangible goods, items or services by a*
18 *charitable organization or nonprofit organization in which the*
19 *amount paid for the good, item or service is reasonably*
20 *proportionate to the current market or face value of the good, item*
21 *or service; or*

22 8. *An application or request for a grant, contract or similar*
23 *funding from a foundation, corporation, nonprofit organization,*
24 *governmental agency or similar entity which has an established*
25 *application and review procedure for consideration of such*
26 *applications or requests.*

27 **Sec. 18.** *The Secretary of State shall make available to the*
28 *public and post on the official Internet website of the Secretary of*
29 *State the information and financial report filed by each charitable*
30 *organization pursuant to sections 14 and 15 of this act.*

31 **Sec. 19.** 1. *If the Secretary of State finds that a charitable*
32 *organization which is required to file the information and*
33 *financial report required for registration pursuant to subsection 2*
34 *of section 14 of this act is soliciting charitable contributions in this*
35 *State, or is having charitable contributions solicited in this State*
36 *on its behalf by another person, without having filed the*
37 *information and financial report required for registration on or*
38 *before the due date for the filing established pursuant to*
39 *subsection 3 of section 14 of this act, the Secretary of State shall:*

40 (a) *If the charitable organization is required to file an annual*
41 *list with the Secretary of State pursuant to this title, impose the*
42 *penalty for default in the filing of an annual list set forth in the*
43 *provisions of this title applicable to the charitable organization*
44 *and notify the charitable organization of the violation by providing*
45 *written notice to its registered agent. The notice:*



1 (1) Must include a statement that the charitable
2 organization is required to file the information and financial
3 statement required for registration by subsection 2 of section 14 of
4 this act and pay the penalty for default in the filing of an annual
5 list set forth in the provisions of this title applicable to the
6 charitable organization; and

7 (2) May be provided electronically.

8 (b) If the charitable organization is not required to file an
9 annual list with the Secretary of State pursuant to this title, impose
10 a penalty in the amount of \$50 for the failure of the charitable
11 organization to file the information and financial report required
12 for registration as required pursuant to subsection 2 of section 14
13 of this act and notify the charitable organization of the violation
14 by providing written notice to the charitable organization. The
15 notice:

16 (1) Must include a statement indicating that the charitable
17 organization is required to file the information and financial
18 report required for registration by subsection 2 of section 14 of
19 this act and pay the penalty as set forth in this paragraph; and

20 (2) May be provided electronically.

21 2. If a charitable organization fails to file the information
22 and financial report required by subsection 2 of section 14 of this
23 act and pay the penalty for default as set forth in this section
24 within 90 days after the charitable organization or its registered
25 agent receives the written notice provided pursuant to subsection
26 1, the Secretary of State may, in addition to imposing the penalty
27 for default as set forth in this section, take any or all of the
28 following actions:

29 (a) Impose a civil penalty of not more than \$1,000.

30 (b) Issue an order to cease and desist soliciting charitable
31 contributions or having charitable contributions solicited on
32 behalf of the charitable organization by another person.

33 3. An action taken pursuant to subsection 2 is a final decision
34 for the purposes of judicial review pursuant to chapter 233B of
35 NRS.

36 4. If a charitable organization fails to pay a civil penalty
37 imposed by the Secretary of State pursuant to subsection 2 or
38 comply with an order to cease and desist issued by the Secretary of
39 State pursuant to subsection 2, the Secretary of State may:

40 (a) If the charitable organization is organized pursuant to this
41 title, revoke the charter of the charitable organization. If the
42 charter of the charitable organization is revoked pursuant to this
43 paragraph, the charitable organization forfeits its right to transact
44 business in this State.



1 ***(b) If the charitable organization is a foreign nonprofit***
2 ***charitable organization, forfeit the right of the foreign nonprofit***
3 ***charitable organization to transact business in this State.***

4 ***(c) Refer the matter to the Attorney General for a***
5 ***determination of whether to institute proceedings pursuant to***
6 ***section 20 of this act.***

7 **Sec. 20. 1. If the Secretary of State believes that a person**
8 ***has violated any provision of this chapter, NRS 598.1305 or any***
9 ***other provision of the laws of this State governing the solicitation***
10 ***of charitable contributions, the Secretary of State shall notify the***
11 ***person in writing of the alleged violation.***

12 **2. The Secretary of State may refer an alleged violation of**
13 ***any provision of this chapter, NRS 598.1305 or any other***
14 ***provision of the laws of this State governing the solicitation of***
15 ***charitable contributions to the Attorney General for a***
16 ***determination of whether to institute proceedings in a court of***
17 ***competent jurisdiction to enforce the provisions of this chapter,***
18 ***NRS 598.1305 or any other provision of the laws of this State***
19 ***governing the solicitation of charitable contributions. The***
20 ***Attorney General may institute and prosecute the appropriate***
21 ***proceedings to enforce the provisions of this chapter, NRS***
22 ***598.1305 or any other provision of the laws of this State governing***
23 ***the solicitation of charitable contributions.***

24 **3. In addition to any other penalty imposed by law, in a**
25 ***proceeding instituted by the Attorney General pursuant to***
26 ***subsection 2, the Attorney General may seek an injunction or***
27 ***other equitable relief and may recover a civil penalty of not more***
28 ***than \$1,000 for each violation. If the Attorney General prevails in***
29 ***such a proceeding, the Attorney General is entitled to recover the***
30 ***costs of the proceeding, including, without limitation, the cost of***
31 ***any investigation and reasonable attorney's fees.***

32 **Sec. 21. The powers and duties of the Secretary of State and**
33 ***the Attorney General pursuant to the provisions of this chapter are***
34 ***in addition to other powers and duties of the Secretary of State and***
35 ***Attorney General with respect to charitable organizations and***
36 ***nonprofit organizations.***

37 **Sec. 22. The Secretary of State may adopt regulations to**
38 ***administer the provisions of this chapter.***

39 **Sec. 23. NRS 82.131 is hereby amended to read as follows:**

40 82.131 Subject to such limitations, if any, as may be contained
41 in its articles, and except as otherwise provided in ~~NRS 82.392,~~
42 ***section 14 of this act,*** every corporation may:

43 1. Borrow money and contract debts when necessary for the
44 transaction of its business, or for the exercise of its corporate rights,
45 privileges or franchises, or for any other lawful purpose of its



- 1 incorporation, issue bonds, promissory notes, drafts, debentures and
2 other obligations and evidences of indebtedness, payable at a
3 specified time or times, or payable upon the happening of a
4 specified event or events, whether secured by mortgage, pledge or
5 other security, or unsecured, for money borrowed, or in payment for
6 property purchased or acquired, or for any other lawful object.
- 7 2. Guarantee, purchase, hold, take, obtain, receive, subscribe
8 for, own, use, dispose of, sell, exchange, lease, lend, assign,
9 mortgage, pledge or otherwise acquire, transfer or deal in or with
10 bonds or obligations of, or shares, securities or interests in or issued
11 by any person, government, governmental agency or political
12 subdivision of government, and exercise all the rights, powers and
13 privileges of ownership of such an interest, including the right to
14 vote, if any.
- 15 3. Issue certificates evidencing membership and issue identity
16 cards.
- 17 4. Make donations for the public welfare or for community
18 funds, hospital, charitable, educational, scientific, civil, religious or
19 similar purposes.
- 20 5. Levy dues, assessments and fees.
- 21 6. Purchase, take, receive, lease, take by gift, devise or bequest,
22 or otherwise acquire, own, improve, use and otherwise deal in and
23 with real or personal property, or any interest therein, wherever
24 situated.
- 25 7. Carry on a business for profit and apply any profit that
26 results from the business to any activity in which it may lawfully
27 engage.
- 28 8. Participate with others in any partnership, joint venture or
29 other association, transaction or arrangement of any kind, whether
30 or not participation involves sharing or delegation of control with or
31 to others.
- 32 9. Act as trustee under any trust incidental to the principal
33 objects of the corporation, and receive, hold, administer, exchange
34 and expend funds and property subject to the trust.
- 35 10. Pay reasonable compensation to officers, directors and
36 employees, pay pensions, retirement allowances and compensation
37 for past services, and establish incentive or benefit plans, trusts and
38 provisions for the benefit of its officers, directors, employees, agents
39 and their families, dependents and beneficiaries, and indemnify and
40 buy insurance for a fiduciary of such a benefit or incentive plan,
41 trust or provision.
- 42 11. Have one or more offices, and hold, purchase, mortgage
43 and convey real and personal property in this State, and in any of the
44 several states, territories, possessions and dependencies of the
45 United States, the District of Columbia and any foreign countries.



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1 12. Do everything necessary and proper for the
2 accomplishment of the objects enumerated in its articles of
3 incorporation, or necessary or incidental to the protection and
4 benefit of the corporation, and, in general, to carry on any lawful
5 business necessary or incidental to the attainment of the objects of
6 the corporation, whether or not the business is similar in nature to
7 the objects set forth in the articles of incorporation of the
8 corporation, except that:

9 (a) A corporation does not, by any implication or construction,
10 possess the power of issuing bills, notes or other evidences of debt
11 for circulation of money; and

12 (b) This chapter does not authorize the formation of banking
13 corporations to issue or circulate money or currency within this
14 State, or outside of this State, or at all, except the federal currency,
15 or the notes of banks authorized under the laws of the United States.

16 **Sec. 24.** NRS 82.5231 is hereby amended to read as follows:

17 82.5231 Except as otherwise provided in ~~NRS 82.392,~~
18 *section 14 of this act*, if a foreign nonprofit corporation has filed the
19 initial or annual list in compliance with NRS 82.523 and has paid
20 the appropriate fee for the filing, the cancelled check or other proof
21 of payment received by the foreign nonprofit corporation constitutes
22 a certificate authorizing it to transact its business within this State
23 until the last day of the month in which the anniversary of its
24 qualification to transact business occurs in the next succeeding
25 calendar year.

26 **Sec. 25.** NRS 598.1305 is hereby amended to read as follows:

27 598.1305 1. ~~A person representing that he or she is~~
28 ~~conducting a solicitation for or on behalf of a charitable~~
29 ~~organization or nonprofit corporation shall disclose:~~

30 ~~—(a) The full legal name of the charitable organization or~~
31 ~~nonprofit corporation as registered with the Secretary of State~~
32 ~~pursuant to NRS 82.392;~~

33 ~~—(b) The state or jurisdiction in which the charitable organization~~
34 ~~or nonprofit corporation was formed;~~

35 ~~—(c) The purpose of the charitable organization or nonprofit~~
36 ~~corporation; and~~

37 ~~—(d) That the contribution or donation may be tax deductible~~
38 ~~pursuant to the provisions of section 170(c) of the Internal Revenue~~
39 ~~Code of 1986, 26 U.S.C. § 170(c), or that the contribution or~~
40 ~~donation does not qualify for such a federal tax deduction.~~

41 ~~2.~~ A person, in planning, conducting or executing a
42 solicitation for or on behalf of a charitable organization or nonprofit
43 corporation, shall not:

44 (a) Make any claim or representation concerning a contribution
45 which directly, or by implication, has the capacity, tendency or



1 effect of deceiving or misleading a person acting reasonably under
2 the circumstances; or

3 (b) Omit any material fact deemed to be equivalent to a false,
4 misleading or deceptive claim or representation if the omission,
5 when considering what has been said or implied, has or would have
6 the capacity, tendency or effect of deceiving or misleading a person
7 acting reasonably under the circumstances.

8 ~~§3. Any solicitation that is made in writing for or on behalf of a
9 charitable organization or nonprofit corporation, including, without
10 limitation, an electronic communication, must contain the full legal
11 name of the charitable organization or nonprofit corporation as
12 registered with the Secretary of State pursuant to NRS 82.392 and a
13 disclaimer stating that the contribution or donation may be tax
14 deductible pursuant to the provisions of section 170(e) of the
15 Internal Revenue Code of 1986, 26 U.S.C. § 170(e), or that the
16 contribution or donation does not qualify for such a federal tax
17 deduction.~~

18 ~~4.2.~~ 2. Notwithstanding any other provisions of this chapter, the
19 Attorney General has primary jurisdiction to investigate and
20 prosecute a violation of this section.

21 ~~5.3.~~ 3. Except as otherwise provided in NRS 41.480 and
22 41.485, a violation of this section constitutes a deceptive trade
23 practice for the purposes of NRS 598.0903 to 598.0999, inclusive.

24 ~~6.4.~~ 4. As used in this section:

25 (a) "Charitable organization" means any person who, directly or
26 indirectly, solicits contributions and who the Secretary of the
27 Treasury has determined to be tax exempt pursuant to the provisions
28 of section 501(c)(3) of the Internal Revenue Code. The term does
29 not include an organization which is established for and serving
30 bona fide religious purposes.

31 (b) "Solicitation" means a request for a contribution to a
32 charitable organization or nonprofit corporation that is made by any
33 means, including, without limitation:

- 34 (1) Mail;
35 (2) Commercial carrier;
36 (3) Telephone, facsimile, electronic mail or other electronic
37 *medium or* device; or
38 (4) A face-to-face meeting.

39 ↪ The term includes, *without limitation*, solicitations which are
40 made from a location within this State and solicitations which are
41 made from a location outside of this State to persons located in this
42 State. ~~For the purposes of subsections 1 and 3, the term does not
43 include solicitations which are directed only to a total of fewer than
44 15 persons or only to persons who are related within the third degree
45 of consanguinity or affinity to the officers, directors, trustees or~~



1 ~~executive personnel of the charitable organization or nonprofit~~
2 ~~corporation.]~~

3 **Sec. 26.** Any administrative regulations adopted by the
4 Secretary of State pursuant to a provision of NRS that was amended
5 or repealed by this act remain in force until amended by the
6 Secretary of State.

7 **Sec. 27.** NRS 82.382, 82.387, 82.392, 82.397, 82.402, 82.407,
8 82.412 and 82.417 are hereby repealed.

9 **Sec. 28.** This act becomes effective:

10 1. Upon passage and approval for the purposes of adopting
11 regulations and performing any other preparatory administrative
12 tasks that are necessary to carry out the provisions of this act; and

13 2. On October 1, 2015, for all other purposes.

LEADLINES OF REPEALED SECTIONS

82.382 “Charitable contribution” defined.

82.387 Applicability.

**82.392 Corporation required to register before soliciting
charitable contributions; filing requirements; information filed
is public record.**

**82.397 Secretary of State required to make filings available
to public and post filings on official website.**

**82.402 Penalty for failure to register with Secretary of
State.**

**82.407 Enforcement of laws governing solicitation of
charitable contributions: Secretary of State required to provide
notice of alleged violation; referral of alleged violation to
Attorney General; proceedings instituted by Attorney General.**

**82.412 Powers and duties of Secretary of State and
Attorney General are cumulative.**

82.417 Regulations.



