

45:17A-1 to 17

LEGISLATIVE HISTORY CHECKLIST

NJSA 45:17A-1 to 45:17A-17 (Charitable Fund Raising Act of 1971)

Laws of 1971 Chapter 469

Bill No. A287

Sponsor(s) Dickey & others

Date Introduced Pre-filed

Committee: Assembly Commerce, Industry & Professions

Senate State Gov't.

Amended during passage Yes ~~No~~ ~~2d OCR not enclosed - 12 pages long~~

Date of passage: Assembly Dec. 6, 1971

Senate May 10, 1971

Date of approval March 2, 1972

Following statements are attached if available:

Sponsor statement ~~Yes~~ No

Committee Statement: Assembly ~~Yes~~ No

Senate ~~Yes~~ No

Fiscal Note Yes ~~No~~

Veto message ~~Yes~~ No

Message on signing Yes ~~No~~

Following were printed:

Reports ~~Yes~~ No

Hearings ~~Yes~~ No

DEPOSITORY COPY
Do Not Remove From Library

10/4/76
HB 7/77

ASSEMBLY, No. 287

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1970 SESSION

By Assemblymen DICKEY, MABIE, KRAVARIK and COBB

AN ACT concerning charitable fund raising, providing for the registration of charitable organizations, professional fund raisers and professional solicitors, regulating fees, authorizing the Attorney General to exercise certain powers with respect to said organizations and persons, providing an appropriation therefor, and repealing sections 1 and 2 of P. L. 1959, chapter 147.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. This act shall be known as, and may be cited as, the "Charita-
2 ble Fund Raising Act of ****[1970]** **1971**."**

1 2. This act, being deemed remedial in nature for the purpose of
2 protecting the health and welfare of the citizens of this State, shall
3 be liberally construed to effectuate the purpose and intent thereof.

1 3. The following words and phrases as used in this article shall
2 have the following meanings unless a different meaning is required
3 by the context:

4 (a) "Charitable organization." Any benevolent, philanthropic,
5 patriotic, or eleemosynary person or one purporting to be such.

6 (b) "Contribution." The promise or grant of any money or
7 property of any kind or value, including a grant or other financial
8 assistance from any agency of government, but except payments by
9 members of an organization for membership fees, dues, fines, or
10 assessments, or for services rendered to individual members, if
11 membership in such organization confers a bona fide right, priv-
12 ilege, professional standing, honor or other direct benefit, other
13 than the right to vote, elect officers, or hold offices.

14 (c) "Professional fund raiser." Any person who for compen-
15 sation or other consideration plans, conducts, manages, or carries
16 on any drive or campaign in this State for the purpose of soliciting

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.**

17 contributions for or on behalf of any charitable organization or any
18 other person, or who engages in the business of, or holds himself out
19 to persons in this State as independently engaged in the business of
20 soliciting contributions for such purpose. A bona fide officer or
21 employee of a charitable organization shall not be deemed a pro-
22 fessional fund raiser.

23 (d) "Professional solicitor." Any person who is employed or
24 retained for compensation by a professional fund raiser to solicit
25 contributions for charitable purposes from persons in this State.

26 (e) "Person." Any individual, organization, group, association,
27 partnership, corporation, or any combination of them.

1 4. (a) Every charitable organization, except as otherwise pro-
2 vided in section 5 of this act, which intends to solicit contributions
3 from persons in this State or from any governmental agency by
4 any means whatsoever shall, prior to any solicitation, file with the
5 Attorney General upon forms prescribed by him, the following
6 information:

7 (1) The name of the organization and the name or names under
8 which it intends to solicit contributions.

9 (2) The names and addresses of the officers, directors, trustees,
10 and executive personnel of the organization.

11 (3) The addresses of the organization and the addresses of any
12 offices in this State. If the organization does not maintain an office,
13 the name and address of the person having custody of its financial
14 records.

15 (4) Where and when the organization was legally established,
16 the form of its organization and its tax exempt status.

17 (5) The purposes for which the organization is organized and
18 the purpose or purposes for which the contributions to be solicited
19 will be used.

20 (6) The date on which the fiscal year of the organization ends.

21 (7) Whether the organization is authorized by any other govern-
22 mental authority to solicit contributions and whether it is or has
23 ever been enjoined by any court from soliciting contributions.

24 (8) The names and addresses of any professional fund raisers
25 who are acting or have agreed to act on behalf of the organization.

26 (b) The registration form shall be signed by the president or
27 other authorized officer and the chief fiscal officer of the or-
28 ganization.

29 (c) For filing such registration, the Attorney General shall
30 receive a fee of \$5.00, to be paid at the time of registration.

31 (d) Such registration shall remain in effect unless it is either

32 canceled as provided in this act or withdrawn by the Attorney
33 General.

34 (e) Every registered organization shall notify the Attorney
35 General within 10 days of any change in the information required
36 to be furnished by such organization pursuant to this section.

37 (f) In no event shall a registration of a charitable organization
38 continue, or be continued, in effect after the date such organization
39 should have filed, but failed to file, an annual report in accordance
40 with the requirements of section 6 of this act, and such organization
41 shall not be eligible to file a new registration until it shall have filed
42 the required annual report with the Attorney General. If such
43 report is subsequently filed such organization may file a new
44 registration upon the payment of a fee of \$5.00 to the Attorney
45 General.

46 (g) Registration statements, financial reports, professional fund
47 raisers' contracts, and other documents required to be filed pur-
48 suant to this act shall become public records in the office of the
49 Attorney General.

1 5. (a) This act shall not apply to religious corporations organized
2 under the provisions of **Title 15 or** Title 16 of the Revised Stat-
3 utes, and other religious agencies and organizations, and charities,
4 agencies, and organizations operated, supervised, or controlled by
5 or in connection with such a religious organization.

6 (b) The following persons shall not be required to register with
7 the Attorney General:

8 (1) An educational institution the curriculums of which in
9 whole or in part are registered or approved by the State Depart-
10 ment of Education ***or the Department of Higher Education***
11 either directly or by acceptance of accreditation by an accredited
12 body recognized by said department; and educational institution
13 confining its solicitation of contributions to its student body,
14 alumni, faculty and trustees, and their families; or a library
14A registered by the State Department of Education, provided that
15 the annual financial report of such institution or library shall
16 be filed with the State Department of Education where it shall be
17 open for public inspection. **Any educational institution confining*
17A *its solicitation of contributions to its student body, alumni, faculty*
17B *and trustees, and their families, shall not be required to file an*
17C *annual financial report.**

18 (2) Fraternal, patriotic, social, alumni organizations, historical
19 societies and similar organizations organized under the provisions
20 of Title 15 of the Revised Statutes, when solicitation of contribu-
21 tions is confined to their membership.

22 (3) Persons requesting any contributions for the relief of any
 23 individual, specified by name at the time of the solicitation, if all of
 24 the contributions collected, without any deductions whatsoever, are
 25 turned over to the named beneficiary.

26 (4) Any charitable organization which does not intend to solicit
 27 and receive and does not actually receive contributions in excess of
 28 *~~[\$5,000.00]~~* *\$10,000.00* during a fiscal year of such organization,
 29 provided all of its fund raising functions are carried on by persons
 30 who are unpaid for such services. However, if the gross contribu-
 31 tions received by such charitable organization during any fiscal year
 32 of such organization shall be in excess of *~~[\$5,000.00]~~* *\$10,000.00*,
 33 it shall within 30 days after the date it shall have received total con-
 34 tributions in excess of *~~[\$5,000.00]~~* *\$10,000.00* register with the
 35 Attorney General as required by section 4 of this act.

36 (5) Any charitable organization receiving an allocation from an
 37 incorporated community chest or united fund, provided such chest
 38 or fund is complying with the provisions of this act relating to
 39 registration and filing of annual reports with the Attorney General,
 40 and provided such organization does not actually receive in addi-
 41 tion to such allocation, contributions in excess of *~~[\$5,000.00]~~*
 42 *\$10,000.00* during the fiscal year, and provided further that all the
 43 fund-raising functions of such organization are carried on by per-
 44 sons who are unpaid for such services. However, if the gross con-
 45 tributions other than such allocation received by such charitable
 46 organization during any fiscal year of such organization shall be in
 47 excess of *~~[\$5,000.00]~~* *\$10,000.00*, it shall within 30 days after
 48 the date it shall have received such contributions in excess of
 49 *~~[\$5,000.00]~~* *\$10,000.00*, register with the Attorney General as
 49A required by section 4 of this act.

50 (6) A local post, camp, chapter or similarly designated element,
 51 or a county unit of such elements, of a bona fide veterans' organiza-
 52 tion which issues charters to such local elements throughout this
 53 State; a bona fide organization of volunteer firemen, ambulance
 54 or rescue squads, or a bona fide auxiliary or affiliate of such orga-
 55 nizations, provided all its fund raising activities are carried on by
 56 members of such an organization or an affiliate thereof and such
 57 members receive no compensation, directly or indirectly, therefor.

58 *** (7) Any charitable organization incorporated by special act of*
 59 *the Legislature or under the provisions of Title 15 of the Revised*
 60 *Statutes for the care and treatment of invalid or crippled chil-*
 61 *dren.***

1 6. (a) Every charitable organization registered pursuant to
 2 section 4 of this act which shall receive in any fiscal year of such

3 organization contributions in excess of \$10,000.00 and every chari-
4 table organization whose fund-raising functions are not carried on
5 solely by persons who are unpaid for such services shall file a
6 written report with the department upon forms prescribed by it,
7 within 6 months after the close of such fiscal year, which shall
8 include a financial statement covering such fiscal year, clearly
9 setting forth the gross income, expenses, and net income inuring
10 to the benefit of the charitable organization, a balance sheet as of
11 the close of such fiscal year and a schedule of the activities carried
12 on by the organization in the performance of its purposes, and
13 the amounts expended thereon, during such fiscal year. Each such
14 organization shall report its expenditures in accordance with stan-
15 dards and classifications of accounts prescribed by the Attorney
16 General to effect uniform reporting by organizations having sim-
17 ilar activities and programs. Such report shall also include a state-
18 ment of any changes in the information required to be contained
19 in the registration form filed on behalf of such organization. The
20 report shall be signed by the president or other authorized officer
21 and the chief fiscal officer of the organization, and shall be accom-
22 panied by an opinion signed by an independent public accountant
23 that the financial statement and balance sheet therein fairly repre-
24 sent the financial operations and position of the organization.

25 (b) Every organization registered pursuant to section 4 of this
26 act which shall receive in any fiscal year of such organization
27 contributions not in excess of \$10,000.00 and all of whose fund-
28 raising functions are carried on by persons who are unpaid for
29 such services shall file a written report with the Attorney General
30 upon forms prescribed by it, within 6 months after the close of
31 such fiscal year, which shall include a financial statement covering
32 such fiscal year limited to a statement of such organization's gross
33 receipts from contributions, fund-raising expenses including a
34 separate statement of the costs of any goods, services or admissions
35 supplied as part of its solicitations, and the disposition of the net
36 proceeds from contributions. Such report shall also include a state-
37 ment of any changes in the information required to be contained
38 in the registration form filed on behalf of such organization. The
39 report shall be signed by the president or other authorized officer
40 and the chief fiscal officer of the organization who shall certify that
41 the statements therein are true and correct to the best of their
42 knowledge.

43 (c) For any fiscal year of any organization registered pursuant
44 to section 4 of this act in which such organization would have been
45 exempt from registration pursuant to section 5 of this act if it

46 had not been so registered, or in which it did not solicit or receive
47 contributions, such organization shall file, instead of the reports
48 required by subsections (b) or (c) of this section, a report in the
49 form of an affidavit of its president and chief fiscal officer stating
50 the exemption and the facts upon which it is based or that such
51 organization did not solicit or receive contributions in such fiscal
52 year. The affidavit shall also include a statement of any changes
53 in the information required to be contained in the registration form
54 filed on behalf of such organization.

55 (d) (1) Any charitable organization registered pursuant to
56 section 4 of this act, which is the parent organization of one or
57 more chapters thereof within the State, and such chapters may
58 comply with the reporting requirements of subsections (a), (b)
59 or (c) of this section, by filing a consolidated written report upon
60 forms prescribed by the Attorney General.

61 (2) As used in this subsection the term "chapter" shall include
62 any branch, auxiliary, affiliate or other subordinate unit of any
63 registered charitable organization, howsoever designated, whose
64 policies, fund-raising activities, and expenditures are supervised
65 or controlled by such parent organization.

66 (3) There shall be appended to each consolidated report a sched-
67 ule containing such information as may be prescribed by the At-
68 torney General, reflecting the activities of each chapter, which shall
69 contain a certification, under penalty of perjury, by an official of
70 the organization, certifying that the information contained thereon
71 is true.

72 (4) The failure of a parent organization to file an appropriate
73 consolidated written report shall not excuse either the parent or-
74 ganization or its chapters from complying with the provisions of
75 subsections (a), (b) or (c) of this section.

76 (e) The Attorney General shall cancel the registration of any
77 organization which fails to comply with subsection (a), (b) or (c)
78 of this section within the time therein prescribed, or fails to furnish
79 such additional information as is requested by the Attorney General
80 within the required time; except that the time may be extended by
81 the Attorney General for a period not to exceed 6 months. Notice
82 of such cancellation shall be mailed to the registrant at least 15 days
83 before the effective date thereof.

84 (f) All records, books and reports maintained by any charitable
85 organization registered or required to register pursuant to section
86 4 of this act shall at all times be available for inspection, at the
87 principal office of such organization, by the Attorney General or his
88 duly authorized representatives.

1 7. Any charitable organization having its principal place of
2 business without the State or organized under and by virtue of the
3 laws of another State, and which shall solicit contributions from
4 people in this State, shall be deemed to have irrevocably appointed
5 the Secretary of State as its agent upon whom may be served any
6 process directed to such charitable organization, or any partner,
7 principal, officer, or director thereof, in any action or proceeding
8 brought by the Attorney General under the provisions of this act.
9 Service of such process upon the Secretary of State shall be made
10 by personally delivering to and leaving with him or a deputy Sec-
11 retary of State a copy thereof at the office of the Department of
12 State in the city of Trenton, and such service shall be sufficient
13 service provided that notice of such service and a copy of such
14 process are forthwith sent by the Attorney General to such
15 charitable organization by registered mail with return receipt re-
16 quested, at its office as set forth in the registration form required
17 to be filed with the Attorney General pursuant to section 4 of this
18 act, or in default of the filing of such form, at the last address
19 known to the Attorney General. Service of such process shall be
20 complete upon the receipt by the Attorney General of a return
21 receipt purporting to be signed by the addressee or a person qual-
22 ified to receive his or its registered mail, or, if acceptance was re-
23 fused by the addressee or his or its agent, 10 days after the return
24 to the Attorney General of the original envelope bearing a notation
25 that receipt thereof was refused.

1 8. (a) No person shall act as a professional fund raiser for a
2 charitable organization required to register pursuant to section 4 of
3 this act before he has registered with the Attorney General or after
4 the expiration or cancellation of such registration or any renewal
5 thereof. Applications for registration and reregistration shall be in
6 writing, under oath, in the form prescribed by the Attorney General
7 and shall be accompanied by an annual fee in the sum of \$50.00. The
8 applicant shall at the time of making application, file with, and
9 have approved by, the Attorney General a bond in which the appli-
10 cant shall be the principal obligor, in the sum of ***[\$5,000.00]***
11 *\$10,000.00* with one or more sureties whose liability in the aggre-
12 gate as such sureties will at least equal the said sum. The said bond
13 shall run to the Attorney General for the use of the State and to
14 any person who may have a cause of action against the obligor of
15 said bond for any malfeasance or misfeasance in the conduct of such
16 solicitation. Registration or reregistration when effected shall be
17 for a period of 1 year, or a part thereof, expiring on June 30, and

18 may be renewed upon written application, under oath, in the form
19 prescribed by the Attorney General and the filing of the bond and
20 the fee prescribed herein for additional 1 year periods. Applica-
21 tions for registration and reregistration and bonds, when filed with
22 the Attorney General shall become public records in the office of the
23 Attorney General.

24-25 (b) A professional fund raiser shall maintain accurate and cur-
26 rent books and records of his activities as such while required to be
27 registered under subsection (a) of this section; and, until at least
28 3 years shall have elapsed after the end of the effective period of
29 the registration to which they relate, he shall keep such books and
30 records in his office available for inspection and examination by
31 the Attorney General or his duly authorized representatives.

32 (c) Any person who willfully violates the provisions of this sec-
33 tion is guilty of a misdemeanor.

1 9. (a) No person shall act as a professional solicitor in the
2 employ of a professional fund raiser required to register pursuant
3 to section 8 of this act before he has registered with the department
4 or after the expiration or cancellation of such registration or any
5 renewal thereof. Application for registration or reregistration
6 shall be in writing, under oath, in the form prescribed by the
7-9 Attorney General, and shall be accompanied by a fee in the sum of
10 \$10.00. Such registration or reregistration when effected shall be
11 for a period of 1 year, or a part thereof, expiring on June 30 and
12 may be renewed upon written application, under oath, in the form
13 prescribed by the Attorney General and the payment of the fee
14 prescribed herein, for additional 1 year periods. Applications for
15 registration and reregistration, when filed with the Attorney
16 General, shall become public records in the office of the Attorney
17 General.

18 (b) Any person who willfully violates the provisions of this sec-
19 tion is guilty of a misdemeanor.

1 10. (a) No charitable organization shall pay or agree to pay to *a
2 *professional fund raiser or** a professional solicitor or his agents,
3 servants or employees in the aggregate a total amount in excess of
4 15% (including reimbursement for expenses incurred) of the total
5 moneys, pledges or other property raised or received by reason of
6 any solicitation activities or campaigns.

7 (b) For purposes of this section the total moneys, funds, pledges
8 or other property raised or received shall not include the actual
9 cost to the charitable organization ***[or]*** *, *professional fund*
9A *raiser or a** professional solicitor of goods sold or service provided
10 to the public in connection with the soliciting of contributions.

11 (c) Every contract or written agreement between *a* profes-
 12 sional *~~fund-raising counsel~~* *fund raiser or professional solici-
 13 tor* and a charitable organization shall be filed with the Attorney
 14 General within 10 days after such contract or written agreement is
 14A concluded.

15 (d) Every contract or a written statement of the nature of the
 16 arrangement to prevail in the absence of a contract between a *pro-
 17 fessional fund raiser or* professional solicitor and a charitable
 18 organization shall be filed with the Attorney General within 10 days
 19 after such contract or written agreement is concluded. If the con-
 19A tract or arrangement with a *professional fund raiser or* pro-
 20 fessional solicitor does not provide for compensation on a per-
 21 centage basis, the Attorney General shall examine the contract
 22 to ascertain whether the compensation to be paid in such cir-
 23 cumstances is likely to exceed 15% of the total moneys, pledges or
 24 other property raised or received as a result of the contract or
 25 arrangement; if the reasonable probabilities are that compensation
 26 will exceed 15% of the total moneys, pledges or other property, the
 27 Attorney General shall disapprove the contract or arrangement
 28 within 10 days after its filing. No registered charitable organiza-
 29 tion*, professional fund raiser* or professional solicitor shall carry
 30 out or execute a disapproved contract, or receive or perform ser-
 31 vices, or receive or make payments, pursuant to a disapproved con-
 32 tract. Any party to a disapproved contract shall, upon written
 33 request made within 30 days of disapproval, be given a hearing
 34 before the Attorney General within 30 days after such request is
 35 filed. Any person who willfully violates the provisions of this sec-
 36 tion is guilty of a misdemeanor.

1 11. Any professional fund raiser or professional solicitor res-
 2 ident or having his or its principal place of business without the
 3 State or organized under and by virtue of the laws of a foreign
 4 State, who or which shall solicit contributions from people in this
 5 State, shall be deemed to have irrevocably appointed the Secretary
 6 of State as his or its agent upon whom may be served any process
 7 directed to such professional fund raiser, professional solicitor or
 8 any partner, principal, officer, or director thereof, in any action or
 9 proceeding brought by the Attorney General under the provisions
 10 of this act. Service of such process upon the Secretary of State
 11 shall be made by personally delivering to and leaving with him or
 12 a deputy Secretary of State a copy thereof at the office of the De-
 13 partment of State in the city of Trenton, and such service shall be
 14 sufficient service provided that notice of such service and a copy
 15 of such process are forthwith sent by the Attorney General to such

16 professional fund raiser or professional solicitor by registered mail
17 with return receipt requested, or his or its office as set forth in the
18 registration form required to be filed in the department pursuant
19 to sections 8 and 9 of this act, or in default of the filing of such
20 form, at the last address known to the Attorney General. Service
21 of such process shall be complete 10 days after the receipt by the
22 Attorney General of a return receipt purporting to be signed by
23 the addressee or a person qualified to receive his or its registered
24 mail, or, if acceptance was refused by the addressee or his or its
25 agent, 10 days after the return to the Attorney General of the
26 original envelope bearing a notation that receipt thereof was
27 refused.

1 12. (a) No charitable organization required to be registered pur-
2 suant to this act shall employ any professional fund raiser required
3 to be registered pursuant to this act unless and until such fund
4 raiser is so registered.

5 (b) No professional fund raiser required to be registered pur-
6 suant to this act shall enter into any contract or raise any funds
7 for any organization required to be registered pursuant to this act
8 unless such charitable organization is actually so registered.

9 (c) No professional fund raiser required to be registered under
10 this act shall employ any professional solicitor who is not regis-
11 tered in accordance with this act.

12 (d) In addition to all other remedies provided by law the
13 Attorney General may bring an action to enjoin any violation of
14 the provisions of this section. The Attorney General may give
15 notice of at least 15 days in writing by registered or certified mail
16 to the organization, person or persons violating the provisions
17 hereof, requiring that registration be accomplished or that the
18 solicitation of funds be immediately terminated. The failure to im-
19 mediately discontinue solicitation or to register in accordance with
20 the provisions of this article within 15 days of service of such notice
21 shall be deemed to be a continuing fraud upon the people of this
22 State.

1 13. (a) No person shall, for the purpose of soliciting contribu-
2 tions from persons in this State, use the name of any other person,
3 except that of an officer, director or trustee of the ***[cahritable]***
4 *charitable* organization by or for which contributions are solicited,
5 without the written consent of such other person.

6 (b) A person shall be deemed to have used the name of another
7 person for the purpose of soliciting contributions if such latter
8 person's name is listed on any stationery, advertisement, brochure

9 or correspondence in or by which a contribution is solicited by or
10 on behalf of a charitable organization or his name is listed or
11 referred to in connection with a request for a contribution as one
12 who has contributed to, sponsored or indorsed the charitable or-
13 ganization or its activities.

14 (c) Nothing contained in this section shall prevent the publica-
15 tion of names of contributors without their written consents, in an
16 annual or other periodic report issued by a charitable organization
17 for the purpose of reporting on its operations and affairs to its
18 membership or for the purpose of reporting contributions to
19 contributors.

20 (d) Any person who willfully violates the provisions of this sec-
21 tion is guilty of a misdemeanor.

1 14. (a) In addition to any other action or proceeding authorized
2 by law, the Attorney General may bring an action in the Superior
3 Court against any charitable organization, professional fund raiser,
4 or professional solicitor, and any other persons acting for it or him
5 or in its or his behalf, to enjoin such charitable organization, pro-
6 fessional fund raiser, or professional solicitor from continuing the
7 solicitation or collection of funds or property or engaging therein
8 or doing any acts in furtherance thereof, and to cancel any regis-
9 tration statement previously filed with the Attorney General, when-
10 ever the Attorney General shall have reason to believe that the
11 charitable organization, professional fund raiser, or professional
12 solicitor:

13 (1) Is operating in violation of the provisions of this act;

14 (2) Has refused or failed, or any of its principal officers has
15 refused or failed, after notice, to produce any records of such
16 organization;

17 (3) Is employing or about to employ, or there is employed or
18 about to be employed, in any solicitation or collection of funds or
19 other property for such organization, any device, scheme or
20 artifice to defraud or for obtaining money or property by means
21 of a false pretense, representation or promise;

22 (4) Has made a material false statement in an application,
23 registration or statement required to be filed pursuant to this
24 article; or

25 (5) Is soliciting funds by mail where the solicitation includes
26 the sending of goods, wares or merchandise not ordered or re-
27 quested by the recipient and less than 50% of the total amount of
28 the funds so raised is or will be devoted to the purported purposes
29 of the charitable organization.

30 (b) The Attorney General may exercise the authority granted in
31 this section against any charitable organization which operates
32 under the guise or pretense of being an organization exempted by
33 the provisions of section 5 and is not in fact an organization en-
34 titled to such an exemption.

35 (c) The Superior Court, in any action brought pursuant to this
36 section, shall grant such relief as may be appropriate in the
37 circumstances.

1 15. The Attorney General shall issue and promulgate such rules
2 and regulations as he may deem necessary and appropriate to
3 carry out the purposes of this act, and may revise, repeal or amend
4 said rules and regulations from time to time as he may deem
5 necessary.

1 16. (a) The provisions and requirements of this act shall be
2 cumulative of, and in addition to, the provisions of any other law
3 concerning charitable organizations.

4 (b) This act shall not be construed to limit or restrict the
5 exercise of the powers or the performance of the duties of the
6 Attorney General which he is otherwise authorized to exercise or
7 perform under any other provision of law.

1 17. If any section, subsection, paragraph, sentence or other part
2 of this act is adjudged unconstitutional or invalid, such judgment
3 shall not affect, impair or invalidate the remainder of this act, but
4 shall be confined in its effect to the section, subsection, paragraph,
5 sentence or other part of this act directly involved in the contro-
6 versy in which such judgment shall have been rendered.

1 18. There is hereby appropriated out of the General Treasury
2 to the Department of Law and Public Safety the sum of \$25,000.00
3 for the purpose of carrying out the provisions of this act for the
4 period ending June 30, ****[1970]**** ****1971****.

1 19. Sections 1 and 2 of P. L. 1959, chapter 147 (C. 40:48-2.34
2 and C. 40:48-2.35) are repealed.

1 20. This act shall take effect 30 days after the approval thereof.

ASSEMBLY, No. 287

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1970 SESSION

By Assemblymen DICKEY, MABIE, KRAVARIK and COBB

AN ACT concerning charitable fund raising, providing for the registration of charitable organizations, professional fund raisers and professional solicitors, regulating fees, authorizing the Attorney General to exercise certain powers with respect to said organizations and persons, providing an appropriation therefor, and repealing sections 1 and 2 of P. L. 1959, chapter 147.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. This act shall be known as, and may be cited as, the "Charita-
2 ble Fund Raising Act of 1970."

1 2. This act, being deemed remedial in nature for the purpose of
2 protecting the health and welfare of the citizens of this State, shall
3 be liberally construed to effectuate the purpose and intent thereof.

1 3. The following words and phrases as used in this article shall
2 have the following meanings unless a different meaning is required
3 by the context:

4 (a) "Charitable organization." Any benevolent, philanthropic,
5 patriotic, or eleemosynary person or one purporting to be such.

6 (b) "Contribution." The promise or grant of any money or
7 property of any kind or value, including a grant or other financial
8 assistance from any agency of government, but except payments by
9 members of an organization for membership fees, dues, fines, or
10 assessments, or for services rendered to individual members, if
11 membership in such organization confers a bona fide right, priv-
12 ilege, professional standing, honor or other direct benefit, other
13 than the right to vote, elect officers, or hold offices.

14 (c) "Professional fund raiser." Any person who for compen-
15 sation or other consideration plans, conducts, manages, or carries
16 on any drive or campaign in this State for the purpose of soliciting
17 contributions for or on behalf of any charitable organization or any

18 other person, or who engages in the business of, or holds himself out
19 to persons in this State as independently engaged in the business of
20 soliciting contributions for such purpose. A bona fide officer or
21 employee of a charitable organization shall not be deemed a pro-
22 fessional fund raiser.

23 (d) "Professional solicitor." Any person who is employed or
24 retained for compensation by a professional fund raiser to solicit
25 contributions for charitable purposes from persons in this State.

26 (e) "Person." Any individual, organization, group, association,
27 partnership, corporation, or any combination of them.

1 4. (a) Every charitable organization, except as otherwise pro-
2 vided in section 5 of this act, which intends to solicit contributions
3 from persons in this State or from any governmental agency by
4 any means whatsoever shall, prior to any solicitation, file with the
5 Attorney General upon forms prescribed by him, the following
6 information:

7 (1) The name of the organization and the name or names under
8 which it intends to solicit contributions.

9 (2) The names and addresses of the officers, directors, trustees,
10 and executive personnel of the organization.

11 (3) The addresses of the organization and the addresses of any
12 offices in this State. If the organization does not maintain an office,
13 the name and address of the person having custody of its financial
14 records.

15 (4) Where and when the organization was legally established,
16 the form of its organization and its tax exempt status.

17 (5) The purposes for which the organization is organized and
18 the purpose or purposes for which the contributions to be solicited
19 will be used.

20 (6) The date on which the fiscal year of the organization ends.

21 (7) Whether the organization is authorized by any other govern-
22 mental authority to solicit contributions and whether it is or has
23 ever been enjoined by any court from soliciting contributions.

24 (8) The names and addresses of any professional fund raisers
25 who are acting or have agreed to act on behalf of the organization.

26 (b) The registration form shall be signed by the president or
27 other authorized officer and the chief fiscal officer of the or-
28 ganization.

29 (c) For filing such registration, the Attorney General shall
30 receive a fee of \$5.00, to be paid at the time of registration.

31 (d) Such registration shall remain in effect unless it is either

32 canceled as provided in this act or withdrawn by the Attorney
33 General.

34 (e) Every registered organization shall notify the Attorney
35 General within 10 days of any change in the information required
36 to be furnished by such organization pursuant to this section.

37 (f) In no event shall a registration of a charitable organization
38 continue, or be continued, in effect after the date such organization
39 should have filed, but failed to file, an annual report in accordance
40 with the requirements of section 6 of this act, and such organization
41 shall not be eligible to file a new registration until it shall have filed
42 the required annual report with the Attorney General. If such
43 report is subsequently filed such organization may file a new
44 registration upon the payment of a fee of \$5.00 to the Attorney
45 General.

46 (g) Registration statements, financial reports, professional fund
47 raisers' contracts, and other documents required to be filed pur-
48 suant to this act shall become public records in the office of the
49 Attorney General.

1 5. (a) This act shall not apply to religious corporations organized
2 under the provisions of Title 16 of the Revised Statutes, and other
3 religious agencies and organizations, and charities, agencies, and
4 organizations operated, supervised, or controlled by or in connec-
5 tion with such a religious organization.

6 (b) The following persons shall not be required to register with
7 the Attorney General:

8 (1) An educational institution the curriculums of which in
9 whole or in part are registered or approved by the State Depart-
10 ment of Education either directly or by acceptance of accreditation
11 by an accredited body recognized by said department; an educa-
12 tional institution confining its solicitation of contributions to its
13 student body, alumni, faculty and trustees, and their families; or a
14 library registered by the State Department of Education, provided
15 that the annual financial report of such institution or library shall
16 be filed with the State Department of Education where it shall be
17 open for public inspection.

18 (2) Fraternal, patriotic, social, alumni organizations, historical
19 societies and similar organizations organized under the provisions
20 of Title 15 of the Revised Statutes, when solicitation of contribu-
21 tions is confined to their membership.

22 (3) Persons requesting any contributions for the relief of any
23 individual, specified by name at the time of the solicitation, if all of
24 the contributions collected, without any deductions whatsoever, are
25 turned over to the named beneficiary.

26 (4) Any charitable organization which does not intend to solicit
27 and receive and does not actually receive contributions in excess of
28 \$5,000.00 during a fiscal year of such organization, provided all of
29 its fund raising functions are carried on by persons who are unpaid
30 for such services. However, if the gross contributions received by
31 such charitable organization during any fiscal year of such orga-
32 nization shall be in excess of \$5,000.00, it shall within 30 days after
33 the date it shall have received total contributions in excess of
34 \$5,000.00 register with the Attorney General as required by section
35 4 of this act.

36 (5) Any charitable organization receiving an allocation from an
37 incorporated community chest or united fund, provided such chest
38 or fund is complying with the provisions of this act relating to
39 registration and filing of annual reports with the Attorney General,
40 and provided such organization does not actually receive in addi-
41 tion to such allocation, contributions in excess of \$5,000.00 during
42 the fiscal year, and provided further that all the fund-raising func-
43 tions of such organization are carried on by persons who are unpaid
44 for such services. However, if the gross contributions other than
45 such allocation received by such charitable organization during any
46 fiscal year of such organization shall be in excess of \$5,000.00, it
47 shall within 30 days after the date it shall have received such contri-
48 butions in excess of \$5,000.00 register with the Attorney General
49 as required by section 4 of this act.

50 (6) A local post, camp, chapter or similarly designated element,
51 or a county unit of such elements, of a bona fide veterans' organiza-
52 tion which issues charters to such local elements throughout this
53 State; a bona fide organization of volunteer firemen, ambulance
54 or rescue squads, or a bona fire auxiliary or affiliate of such orga-
55 nizations, provided all its fund raising activities are carried on by
56 members of such an organization or an affiliate thereof and such
57 members receive no compensation, directly or indirectly, therefor.

1 6. (a) Every charitable organization registered pursuant to
2 section 4 of this act which shall receive in any fiscal year of such
3 organization contributions in excess of \$10,000.00 and every chari-
4 table organization whose fund-raising functions are not carried on
5 solely by persons who are unpaid for such services shall file a
6 written report with the department upon forms prescribed by it,
7 within 6 months after the close of such fiscal year, which shall
8 include a financial statement covering such fiscal year, clearly
9 setting forth the gross income, expenses, and net income inuring
10 to the benefit of the charitable organization, a balance sheet as of
11 the close of such fiscal year and a schedule of the activities carried

12 on by the organization in the performance of its purposes, and
13 the amounts expended thereon, during such fiscal year. Each such
14 organization shall report its expenditures in accordance with stan-
15 dards and classifications of accounts prescribed by the Attorney
16 General to effect uniform reporting by organizations having sim-
17 ilar activities and programs. Such report shall also include a state-
18 ment of any changes in the information required to be contained
19 in the registration form filed on behalf of such organization. The
20 report shall be signed by the president or other authorized officer
21 and the chief fiscal officer of the organization, and shall be accom-
22 panied by an opinion signed by an independent public accountant
23 that the financial statement and balance sheet therein fairly repre-
24 sent the financial operations and position of the organization.

25 (b) Every organization registered pursuant to section 4 of this
26 act which shall receive in any fiscal year of such organization
27 contributions not in excess of \$10,000.00 and all of whose fund-
28 raising functions are carried on by persons who are unpaid for
29 such services shall file a written report with the Attorney General
30 upon forms prescribed by it, within 6 months after the close of
31 such fiscal year, which shall include a financial statement covering
32 such fiscal year limited to a statement of such organization's gross
33 receipts from contributions, fund-raising expenses including a
34 separate statement of the costs of any goods, services or admissions
35 supplied as part of its solicitations, and the disposition of the net
36 proceeds from contributions. Such report shall also include a state-
37 ment of any changes in the information required to be contained
38 in the registration form filed on behalf of such organization. The
39 report shall be signed by the president or other authorized officer
40 and the chief fiscal officer of the organization who shall certify that
41 the statements therein are true and correct to the best of their
42 knowledge.

43 (c) For any fiscal year of any organization registered pursuant
44 to section 4 of this act in which such organization would have been
45 exempt from registration pursuant to section 5 of this act if it
46 had not been so registered, or in which it did not solicit or receive
47 contributions, such organization shall file, instead of the reports
48 required by subsections (b) or (c) of this section, a report in the
49 form of an affidavit of its president and chief fiscal officer stating
50 the exemption and the facts upon which it is based or that such
51 organization did not solicit or receive contributions in such fiscal
52 year. The affidavit shall also include a statement of any changes
53 in the information required to be contained in the registration form
54 filed on behalf of such organization.

55 (d) (1) Any charitable organization registered pursuant to
56 section 4 of this act, which is the parent organization of one or
57 more chapters thereof within the State, and such chapters may
58 comply with the reporting requirements of subsections (a), (b)
59 or (c) of this section, by filing a consolidated written report upon
60 forms prescribed by the Attorney General.

61 (2) As used in this subsection the term "chapter" shall include
62 any branch, auxiliary, affiliate or other subordinate unit of any
63 registered charitable organization, howsoever designated, whose
64 policies, fund-raising activities, and expenditures are supervised
65 or controlled by such parent organization.

66 (3) There shall be appended to each consolidated report a sched-
67 ule containing such information as may be prescribed by the At-
68 torney General, reflecting the activities of each chapter, which shall
69 contain a certification, under penalty of perjury, by an official of
70 the organization, certifying that the information contained thereon
71 is true.

72 (4) The failure of a parent organization to file an appropriate
73 consolidated written report shall not excuse either the parent or-
74 ganization or its chapters from complying with the provisions of
75 subsections (a), (b) or (c) of this section.

76 (e) The Attorney General shall cancel the registration of any
77 organization which fails to comply with subsection (a), (b) or (c)
78 of this section within the time therein prescribed, or fails to furnish
79 such additional information as is requested by the Attorney General
80 within the required time; except that the time may be extended by
81 the Attorney General for a period not to exceed 6 months. Notice
82 of such cancellation shall be mailed to the registrant at least 15 days
83 before the effective date thereof.

84 (f) All records, books and reports maintained by any charitable
85 organization registered or required to register pursuant to section
86 4 of this act shall at all times be available for inspection, at the
87 principal office of such organization, by the Attorney General or his
88 duly authorized representatives.

1 7. Any charitable organization having its principal place of
2 business without the State or organized under and by virtue of the
3 laws of another State, and which shall solicit contributions from
4 people in this State, shall be deemed to have irrevocably appointed
5 the Secretary of State as its agent upon whom may be served any
6 process directed to such charitable organization, or any partner,
7 principal, officer, or director thereof, in any action or proceeding
8 brought by the Attorney General under the provisions of this act.
9 Service of such process upon the Secretary of State shall be made

10 by personally delivering to and leaving with him or a deputy Sec-
11 retary of State a copy thereof at the office of the Department of
12 State in the city of Trenton, and such service shall be sufficient
13 service provided that notice of such service and a copy of such
14 process are forthwith sent by the Attorney General to such
15 charitable organization by registered mail with return receipt re-
16 quested, at its office as set forth in the registration form required
17 to be filed with the Attorney General pursuant to section 4 of this
18 act, or in default of the filing of such form, at the last address
19 known to the Attorney General. Service of such process shall be
20 complete upon the receipt by the Attorney General of a return
21 receipt purporting to be signed by the addressee or a person qual-
22 ified to receive his or its registered mail, or, if acceptance was re-
23 fused by the addressee or his or its agent, 10 days after the return
24 to the Attorney General of the original envelope bearing a notation
25 that receipt thereof was refused.

1 8. (a) No person shall act as a professional fund raiser for a
2 charitable organization required to register pursuant to section 4
3 of this act before he has registered with the Attorney General or
4 after the expiration or cancellation of such registration or any
5 renewal thereof. Applications for registration and reregistration
6-7 shall be in writing, under oath, in the form prescribed by the
8 Attorney General and shall be accompanied by an annual fee in the
9 sum of \$50.00. The applicant shall at the time of making applica-
10 tion, file with, and have approved by, the Attorney General a bond
11 in which the applicant shall be the principal obligor, in the sum of
12 \$5,000.00 with one or more sureties whose liability in the aggregate
13 as such sureties will at least equal the said sum. The said bond
14 shall run to the Attorney General for the use of the State and to
15 any person who may have a cause of action against the obligor of
16 said bond for any malfeasance or misfeasance in the conduct of such
17 solicitation. Registration or reregistration when effected shall be
18 for a period of 1 year, or a part thereof, expiring on June 30, and
19 may be renewed upon written application, under oath, in the form
20 prescribed by the Attorney General and the filing of the bond and
21 the fee prescribed herein for additional 1 year periods. Applica-
22 tions for registration and reregistration and bonds, when filed with
23 the Attorney General shall become public records in the office of the
24 Attorney General.

25 (b) A professional fund raiser shall maintain accurate and cur-
26 rent books and records of his activities as such while required to be
27 registered under subsection (a) of this section; and, until at least

28 3 years shall have elapsed after the end of the effective period of
29 the registration to which they relate, he shall keep such books and
30 records in his office available for inspection and examination by
31 the Attorney General or his duly authorized representatives.

32 (c) Any person who willfully violates the provisions of this sec-
33 tion is guilty of a misdemeanor.

1 9. (a) No person shall act as a professional solicitor in the
2 employ of a professional fund raiser required to register pursuant
3 to section 8 of this act before he has registered with the department
4 or after the expiration or cancellation of such registration or any
5 renewal thereof. Application for registration or reregistration
6 shall be in writing, under oath, in the form prescribed by the
7-9 Attorney General, and shall be accompanied by a fee in the sum of
10 \$10.00. Such registration or reregistration when effected shall be
11 for a period of 1 year, or a part thereof, expiring on June 30 and
12 may be renewed upon written application, under oath, in the form
13 prescribed by the Attorney General and the payment of the fee
14 prescribed herein, for additional 1 year periods. Applications for
15 registration and reregistration, when filed with the Attorney
16 General, shall become public records in the office of the Attorney
17 General.

18 (b) Any person who willfully violates the provisions of this sec-
19 tion is guilty of a misdemeanor.

1 10. (a) No charitable organization shall pay or agree to pay to
2 a professional solicitor or his agents, servants or employees in the
3 aggregate a total amount in excess of 15% (including reimburse-
4 ment for expenses incurred) of the total moneys, pledges or other
5 property raised or received by reason of any solicitation activities
6 or campaigns.

7 (b) For purposes of this section the total moneys, funds, pledges
8 or other property raised or received shall not include the actual
9 cost to the charitable organization or professional solicitor of
9A goods sold or service provided to the public in connection with the
10 soliciting of contributions.

11 (c) Every contract or written agreement between professional
12 fund-raising counsel and a charitable organization shall be filed
13 with the Attorney General within 10 days after such contract or
14 written agreement is concluded.

15 (d) Every contract or a written statement of the nature of the
16 arrangement to prevail in the absence of a contract between a pro-
17 fessional solicitor and a charitable organization shall be filed with
18 the Attorney General within 10 days after such contract or written

19 agreement is concluded. If the contract or arrangement with a
20 professional solicitor does not provide for compensation on a per-
21 centage basis, the Attorney General shall examine the contract
22 to ascertain whether the compensation to be paid in such cir-
23 cumstances is likely to exceed 15% of the total moneys, pledges or
24 other property raised or received as a result of the contract or
25 arrangement; if the reasonable probabilities are that compensation
26 will exceed 15% of the total moneys, pledges or other property, the
27 Attorney General shall disapprove the contract or arrangement
28 within 10 days after its filing. No registered charitable organization
29 or professional solicitor shall carry out or execute a disapproved
30 contract, or receive or perform services, or receive or make pay-
31 ments, pursuant to a disapproved contract. Any party to a dis-
32 approved contract shall, upon written request made within 30 days
33 of disapproval, be given a hearing before the Attorney General
34 within 30 days after such request is filed. Any person who willfully
35 violates the provisions of this section is guilty of a misdemeanor.

1 11. Any professional fund raiser or professional solicitor res-
2 ident or having his or its principal place of business without the
3 State or organized under and by virtue of the laws of a foreign
4 State, who or which shall solicit contributions from people in this
5 State, shall be deemed to have irrevocably appointed the Secretary
6 of State as his or its agent upon whom may be served any process
7 directed to such professional fund raiser, professional solicitor or
8 any partner, principal, officer, or director thereof, in any action or
9 proceeding brought by the Attorney General under the provisions
10 of this act. Service of such process upon the Secretary of State
11 shall be made by personally delivering to and leaving with him or
12 a deputy Secretary of State a copy thereof at the office of the De-
13 partment of State in the city of Trenton, and such service shall be
14 sufficient service provided that notice of such service and a copy
15 of such process are forthwith sent by the Attorney General to such
16 professional fund raiser or professional solicitor by registered mail
17 with return receipt requested, or his or its office as set forth in the
18 registration form required to be filed in the department pursuant
19 to sections 8 and 9 of this act, or in default of the filing of such
20 form, at the last address known to the Attorney General. Service
21 of such process shall be complete 10 days after the receipt by the
22 Attorney General of a return receipt purporting to be signed by
23 the addressee or a person qualified to receive his or its registered
24 mail, or, if acceptance was refused by the addressee or his or its
25 agent, 10 days after the return to the Attorney General of the

26 original envelope bearing a notation that receipt thereof was
27 refused.

1 12. (a) No charitable organization required to be registered pur-
2 suant to this act shall employ any professional fund raiser required
3 to be registered pursuant to this act unless and until such fund
4 raiser is so registered.

5 (b) No professional fund raiser required to be registered pur-
6 suant to this act shall enter into any contract or raise any funds
7 for any organization required to be registered pursuant to this act
8 unless such charitable organization is actually so registered.

9 (c) No professional fund raiser required to be registered under
10 this act shall employ any professional solicitor who is not regis-
11 tered in accordance with this act.

12 (d) In addition to all other remedies provided by law the
13 Attorney General may bring an action to enjoin any violation of
14 the provisions of this section. The Attorney General may give
15 notice of at least 15 days in writing by registered or certified mail
16 to the organization, person or persons violating the provisions
17 hereof, requiring that registration be accomplished or that the
18 solicitation of funds be immediately terminated. The failure to im-
19 mediately discontinue solicitation or to register in accordance with
20 the provisions of this article within 15 days of service of such notice
21 shall be deemed to be a continuing fraud upon the people of this
22 State.

1 13. (a) No person shall, for the purpose of soliciting contribu-
2 tions from persons in this State, use the name of any other person,
3 except that of an officer, director or trustee of the charitable or-
4 ganization by or for which contributions are solicited, without the
5 written consent of such other person.

6 (b) A person shall be deemed to have used the name of another
7 person for the purpose of soliciting contributions if such latter
8 person's name is listed on any stationery, advertisement, brochure
9 or correspondence in or by which a contribution is solicited by or
10 on behalf of a charitable organization or his name is listed or
11 referred to in connection with a request for a contribution as one
12 who has contributed to, sponsored or indorsed the charitable or-
13 ganization or its activities.

14 (c) Nothing contained in this section shall prevent the publica-
15 tion of names of contributors without their written consents, in an
16 annual or other periodic report issued by a charitable organization
17 for the purpose of reporting on its operations and affairs to its
18 membership or for the purpose of reporting contributions to
19 contributors.

20 (d) Any person who willfully violates the provisions of this sec-
21 tion is guilty of a misdemeanor.

1 14. (a) In addition to any other action or proceeding authorized
2 by law, the Attorney General may bring an action in the Superior
3 Court against any charitable organization, professional fund raiser,
4 or professional solicitor, and any other persons acting for it or him
5 or in its or his behalf, to enjoin such charitable organization, pro-
6 fessional fund raiser, or professional solicitor from continuing the
7 solicitation or collection of funds or property or engaging therein
8 or doing any acts in furtherance thereof, and to cancel any regis-
9 tration statement previously filed with the Attorney General, when-
10 ever the Attorney General shall have reason to believe that the
11 charitable organization, professional fund raiser, or professional
12 solicitor:

- 13 (1) Is operating in violation of the provisions of this act;
14 (2) Has refused or failed, or any of its principal officers has
15 refused or failed, after notice, to produce any records of such
16 organization;
17 (3) Is employing or about to employ, or there is employed or
18 about to be employed, in any solicitation or collection of funds or
19 other property for such organization, any device, scheme or
20 artifice to defraud or for obtaining money or property by means
21 of a false pretense, representation or promise;
22 (4) Has made a material false statement in an application,
23 registration or statement required to be filed pursuant to this
24 article; or
25 (5) Is soliciting funds by mail where the solicitation includes
26 the sending of goods, wares or merchandise not ordered or re-
27 quested by the recipient and less than 50% of the total amount of
28 the funds so raised is or will be devoted to the purported purposes
29 of the charitable organization.

30 (b) The Attorney General may exercise the authority granted in
31 this section against any charitable organization which operates
32 under the guise or pretense of being an organization exempted by
33 the provisions of section 5 and is not in fact an organization en-
34 titled to such an exemption.

35 (c) The Superior Court, in any action brought pursuant to this
36 section, shall grant such relief as may be appropriate in the
37 circumstances.

1 15. The Attorney General shall issue and promulgate such rules
2 and regulations as he may deem necessary and appropriate to
3 carry out the purposes of this act, and may revise, repeal or amend

4 said rules and regulations from time to time as he may deem
5 necessary.

1 16. (a) The provisions and requirements of this act shall be
2 cumulative of, and in addition to, the provisions of any other law
3 concerning charitable organizations.

4 (b) This act shall not be construed to limit or restrict the
5 exercise of the powers or the performance of the duties of the
6 Attorney General which he is otherwise authorized to exercise or
7 perform under any other provision of law.

1 17. If any section, subsection, paragraph, sentence or other part
2 of this act is adjudged unconstitutional or invalid, such judgment
3 shall not affect, impair or invalidate the remainder of this act, but
4 shall be confined in its effect to the section, subsection, paragraph,
5 sentence or other part of this act directly involved in the contro-
6 versy in which such judgment shall have been rendered.

1 18. There is hereby appropriated out of the General Treasury
2 to the Department of Law and Public Safety the sum of \$25,000.00
3 for the purpose of carrying out the provisions of this act for the
4 period ending June 30, 1970.

1 19. Sections 1 and 2 of P. L. 1959, chapter 147 (C. 40:48-2.34
2 and C. 40:48-2.35) are repealed.

1 20. This act shall take effect 30 days after the approval thereof.

ASSEMBLY AMENDMENTS TO
ASSEMBLY, No. 287

STATE OF NEW JERSEY

ADOPTED FEBRUARY 2, 1970

Amend page 3, section 5, line 2, after "provisions of", insert "Title 15 or".

Amend page 3, section 5, line 17, after "inspection.", add a new sentence as follows: "Any educational institution confining its solicitation of contributions to its student body, alumni, faculty and trustees, and their families, shall not be required to file an annual financial report."

Amend page 4, section 5, line 28, omit "\$5,000.00", insert "\$10,000.00".

Amend page 4, section 5, line 32, omit "\$5,000.00", insert "\$10,000.00".

Amend page 4, section 5, line 34, omit "\$5,000.00", insert "\$10,000.00".

Amend page 4, section 5, line 41, omit "\$5,000.00", insert "\$10,000.00".

Amend page 4, section 5, line 46, omit "\$5,000.00", insert "\$10,000.00".

Amend page 4, section 5, line 48, omit "\$5,000.00", insert "\$10,000.00".

Amend page 7, section 8, line 12, omit "\$5,000.00", insert "\$10,000.00".

Amend page 8, section 10, line 1, after "pay to", insert "a professional fund raiser or".

Amend page 8, section 10, line 9, after "organization", omit "or", insert ", professional fund raiser or a".

Amend page 8, section 10, line 11, after "between", insert "a".

Amend page 8, section 10, line 12, omit "fund-raising counsel", insert "fund raiser or professional solicitor".

Amend page 8, section 10, line 16, after "between a", insert "professional fund raiser or".

Amend page 9, section 10, line 19, after "with a", insert "professional fund raiser or".

Amend page 9, section 10, line 28, after "organization", insert ", professional fund raiser".

Amend page 10, section 13, line 3, omit "cahritable", insert "charitable".

[OFFICIAL COPY REPRINT]
ASSEMBLY, No. 287

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1970 SESSION

By Assemblymen DICKEY, MABIE, KRAVARIK and COBB

AN ACT concerning charitable fund raising, providing for the registration of charitable organizations, professional fund raisers and professional solicitors, regulating fees, authorizing the Attorney General to exercise certain powers with respect to said organizations and persons, providing an appropriation therefor, and repealing sections 1 and 2 of P. L. 1959, chapter 147.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. This act shall be known as, and may be cited as, the "Charita-
2 ble Fund Raising Act of 1970."

1 2. This act, being deemed remedial in nature for the purpose of
2 protecting the health and welfare of the citizens of this State, shall
3 be liberally construed to effectuate the purpose and intent thereof.

1 3. The following words and phrases as used in this article shall
2 have the following meanings unless a different meaning is required
3 by the context:

4 (a) "Charitable organization." Any benevolent, philanthropic,
5 patriotic, or eleemosynary person or one purporting to be such.

6 (b) "Contribution." The promise or grant of any money or
7 property of any kind or value, including a grant or other financial
8 assistance from any agency of government, but except payments by
9 members of an organization for membership fees, dues, fines, or
10 assessments, or for services rendered to individual members, if
11 membership in such organization confers a bona fide right, priv-
12 ilege, professional standing, honor or other direct benefit, other
13 than the right to vote, elect officers, or hold offices.

14 (c) "Professional fund raiser." Any person who for compen-
15 sation or other consideration plans, conducts, manages, or carries
16 on any drive or campaign in this State for the purpose of soliciting

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.

17 contributions for or on behalf of any charitable organization or any
18 other person, or who engages in the business of, or holds himself out
19 to persons in this State as independently engaged in the business of
20 soliciting contributions for such purpose. A bona fide officer or
21 employee of a charitable organization shall not be deemed a pro-
22 fessional fund raiser.

23 (d) "Professional solicitor." Any person who is employed or
24 retained for compensation by a professional fund raiser to solicit
25 contributions for charitable purposes from persons in this State.

26 (e) "Person." Any individual, organization, group, association,
27 partnership, corporation, or any combination of them.

1 4. (a) Every charitable organization, except as otherwise pro-
2 vided in section 5 of this act, which intends to solicit contributions
3 from persons in this State or from any governmental agency by
4 any means whatsoever shall, prior to any solicitation, file with the
5 Attorney General upon forms prescribed by him, the following
6 information:

7 (1) The name of the organization and the name or names under
8 which it intends to solicit contributions.

9 (2) The names and addresses of the officers, directors, trustees,
10 and executive personnel of the organization.

11 (3) The addresses of the organization and the addresses of any
12 offices in this State. If the organization does not maintain an office,
13 the name and address of the person having custody of its financial
14 records.

15 (4) Where and when the organization was legally established,
16 the form of its organization and its tax exempt status.

17 (5) The purposes for which the organization is organized and
18 the purpose or purposes for which the contributions to be solicited
19 will be used.

20 (6) The date on which the fiscal year of the organization ends.

21 (7) Whether the organization is authorized by any other govern-
22 mental authority to solicit contributions and whether it is or has
23 ever been enjoined by any court from soliciting contributions.

24 (8) The names and addresses of any professional fund raisers
25 who are acting or have agreed to act on behalf of the organization.

26 (b) The registration form shall be signed by the president or
27 other authorized officer and the chief fiscal officer of the or-
28 ganization.

29 (c) For filing such registration, the Attorney General shall
30 receive a fee of \$5.00, to be paid at the time of registration.

31 (d) Such registration shall remain in effect unless it is either

32 canceled as provided in this act or withdrawn by the Attorney
33 General.

34 (e) Every registered organization shall notify the Attorney
35 General within 10 days of any change in the information required
36 to be furnished by such organization pursuant to this section.

37 (f) In no event shall a registration of a charitable organization
38 continue, or be continued, in effect after the date such organization
39 should have filed, but failed to file, an annual report in accordance
40 with the requirements of section 6 of this act, and such organization
41 shall not be eligible to file a new registration until it shall have filed
42 the required annual report with the Attorney General. If such
43 report is subsequently filed such organization may file a new
44 registration upon the payment of a fee of \$5.00 to the Attorney
45 General.

46 (g) Registration statements, financial reports, professional fund
47 raisers' contracts, and other documents required to be filed pur-
48 suant to this act shall become public records in the office of the
49 Attorney General.

1 5. (a) This act shall not apply to religious corporations organized
2 under the provisions of **Title 15 or** Title 16 of the Revised Stat-
3 utes, and other religious agencies and organizations, and charities,
4 agencies, and organizations operated, supervised, or controlled by
5 or in connection with such a religious organization.

6 (b) The following persons shall not be required to register with
7 the Attorney General:

8 (1) An educational institution the curriculums of which in
9 whole or in part are registered or approved by the State Depart-
10 ment of Education either directly or by acceptance of accreditation
11 by an accredited body recognized by said department; an educa-
12 tional institution confining its solicitation of contributions to its
13 student body, alumni, faculty and trustees, and their families; or a
14 library registered by the State Department of Education, provided
15 that the annual financial report of such institution or library shall
16 be filed with the State Department of Education where it shall be
17 open for public inspection. **Any educational institution confining*
17A *its solicitation of contributions to its student body, alumni, faculty*
17B *and trustees, and their families, shall not be required to file an*
17C *annual financial report.**

18 (2) Fraternal, patriotic, social, alumni organizations, historical
19 societies and similar organizations organized under the provisions
20 of Title 15 of the Revised Statutes, when solicitation of contribu-
21 tions is confined to their membership.

22 (3) Persons requesting any contributions for the relief of any
23 individual, specified by name at the time of the solicitation, if all of
24 the contributions collected, without any deductions whatsoever, are
25 turned over to the named beneficiary.

26 (4) Any charitable organization which does not intend to solicit
27 and receive and does not actually receive contributions in excess of
28 *~~[\$5,000.00]~~* *\$10,000.00* during a fiscal year of such organization,
29 provided all of its fund raising functions are carried on by persons
30 who are unpaid for such services. However, if the gross contribu-
31 tions received by such charitable organization during any fiscal year
32 of such organization shall be in excess of *~~[\$5,000.00]~~* *\$10,000.00*,
33 it shall within 30 days after the date it shall have received total con-
34 tributions in excess of *~~[\$5,000.00]~~* *\$10,000.00* register with the
35 Attorney General as required by section 4 of this act.

36 (5) Any charitable organization receiving an allocation from an
37 incorporated community chest or united fund, provided such chest
38 or fund is complying with the provisions of this act relating to
39 registration and filing of annual reports with the Attorney General,
40 and provided such organization does not actually receive in addi-
41 tion to such allocation, contributions in excess of *~~[\$5,000.00]~~*
42 *\$10,000.00* during the fiscal year, and provided further that all the
43 fund-raising functions of such organization are carried on by per-
44 sons who are unpaid for such services. However, if the gross con-
45 tributions other than such allocation received by such charitable
46 organization during any fiscal year of such organization shall be in
47 excess of *~~[\$5,000.00]~~* *\$10,000.00*, it shall within 30 days after
48 the date it shall have received such contributions in excess of
49 *~~[\$5,000.00]~~* *\$10,000.00*, register with the Attorney General as
49A required by section 4 of this act.

50 (6) A local post, camp, chapter or similarly designated element,
51 or a county unit of such elements, of a bona fide veterans' organiza-
52 tion which issues charters to such local elements throughout this
53 State; a bona fide organization of volunteer firemen, ambulance
54 or rescue squads, or a bona fide auxiliary or affiliate of such orga-
55 nizations, provided all its fund raising activities are carried on by
56 members of such an organization or an affiliate thereof and such
57 members receive no compensation, directly or indirectly, therefor.

1 6. (a) Every charitable organization registered pursuant to
2 section 4 of this act which shall receive in any fiscal year of such
3 organization contributions in excess of \$10,000.00 and every chari-
4 table organization whose fund-raising functions are not carried on
5 solely by persons who are unpaid for such services shall file a
6 written report with the department upon forms prescribed by it,

7 within 6 months after the close of such fiscal year, which shall
8 include a financial statement covering such fiscal year, clearly
9 setting forth the gross income, expenses, and net income inuring
10 to the benefit of the charitable organization, a balance sheet as of
11 the close of such fiscal year and a schedule of the activities carried
12 on by the organization in the performance of its purposes, and
13 the amounts expended thereon, during such fiscal year. Each such
14 organization shall report its expenditures in accordance with stan-
15 dards and classifications of accounts prescribed by the Attorney
16 General to effect uniform reporting by organizations having sim-
17 ilar activities and programs. Such report shall also include a state-
18 ment of any changes in the information required to be contained
19 in the registration form filed on behalf of such organization. The
20 report shall be signed by the president or other authorized officer
21 and the chief fiscal officer of the organization, and shall be accom-
22 panied by an opinion signed by an independent public accountant
23 that the financial statement and balance sheet therein fairly repre-
24 sent the financial operations and position of the organization.

25 (b) Every organization registered pursuant to section 4 of this
26 act which shall receive in any fiscal year of such organization
27 contributions not in excess of \$10,000.00 and all of whose fund-
28 raising functions are carried on by persons who are unpaid for
29 such services shall file a written report with the Attorney General
30 upon forms prescribed by it, within 6 months after the close of
31 such fiscal year, which shall include a financial statement covering
32 such fiscal year limited to a statement of such organization's gross
33 receipts from contributions, fund-raising expenses including a
34 separate statement of the costs of any goods, services or admissions
35 supplied as part of its solicitations, and the disposition of the net
36 proceeds from contributions. Such report shall also include a state-
37 ment of any changes in the information required to be contained
38 in the registration form filed on behalf of such organization. The
39 report shall be signed by the president or other authorized officer
40 and the chief fiscal officer of the organization who shall certify that
41 the statements therein are true and correct to the best of their
42 knowledge.

43 (c) For any fiscal year of any organization registered pursuant
44 to section 4 of this act in which such organization would have been
45 exempt from registration pursuant to section 5 of this act if it
46 had not been so registered, or in which it did not solicit or receive
47 contributions, such organization shall file, instead of the reports
48 required by subsections (b) or (c) of this section, a report in the
49 form of an affidavit of its president and chief fiscal officer stating

50 the exemption and the facts upon which it is based or that such
51 organization did not solicit or receive contributions in such fiscal
52 year. The affidavit shall also include a statement of any changes
53 in the information required to be contained in the registration form
54 filed on behalf of such organization.

55 (d) (1) Any charitable organization registered pursuant to
56 section 4 of this act, which is the parent organization of one or
57 more chapters thereof within the State, and such chapters may
58 comply with the reporting requirements of subsections (a), (b)
59 or (c) of this section, by filing a consolidated written report upon
60 forms prescribed by the Attorney General.

61 (2) As used in this subsection the term "chapter" shall include
62 any branch, auxiliary, affiliate or other subordinate unit of any
63 registered charitable organization, howsoever designated, whose
64 policies, fund-raising activities, and expenditures are supervised
65 or controlled by such parent organization.

66 (3) There shall be appended to each consolidated report a sched-
67 ule containing such information as may be prescribed by the At-
68 torney General, reflecting the activities of each chapter, which shall
69 contain a certification, under penalty of perjury, by an official of
70 the organization, certifying that the information contained thereon
71 is true.

72 (4) The failure of a parent organization to file an appropriate
73 consolidated written report shall not excuse either the parent or-
74 ganization or its chapters from complying with the provisions of
75 subsections (a), (b) or (c) of this section.

76 (e) The Attorney General shall cancel the registration of any
77 organization which fails to comply with subsection (a), (b) or (c)
78 of this section within the time therein prescribed, or fails to furnish
79 such additional information as is requested by the Attorney General
80 within the required time; except that the time may be extended by
81 the Attorney General for a period not to exceed 6 months. Notice
82 of such cancellation shall be mailed to the registrant at least 15 days
83 before the effective date thereof.

84 (f) All records, books and reports maintained by any charitable
85 organization registered or required to register pursuant to section
86 4 of this act shall at all times be available for inspection, at the
87 principal office of such organization, by the Attorney General or his
88 duly authorized representatives.

1 7. Any charitable organization having its principal place of
2 business without the State or organized under and by virtue of the
3 laws of another State, and which shall solicit contributions from
4 people in this State, shall be deemed to have irrevocably appointed

5 the Secretary of State as its agent upon whom may be served any
6 process directed to such charitable organization, or any partner,
7 principal, officer, or director thereof, in any action or proceeding
8 brought by the Attorney General under the provisions of this act.
9 Service of such process upon the Secretary of State shall be made
10 by personally delivering to and leaving with him or a deputy Sec-
11 retary of State a copy thereof at the office of the Department of
12 State in the city of Trenton, and such service shall be sufficient
13 service provided that notice of such service and a copy of such
14 process are forthwith sent by the Attorney General to such
15 charitable organization by registered mail with return receipt re-
16 quested, at its office as set forth in the registration form required
17 to be filed with the Attorney General pursuant to section 4 of this
18 act, or in default of the filing of such form, at the last address
19 known to the Attorney General. Service of such process shall be
20 complete upon the receipt by the Attorney General of a return
21 receipt purporting to be signed by the addressee or a person qual-
22 ified to receive his or its registered mail, or, if acceptance was re-
23 fused by the addressee or his or its agent, 10 days after the return
24 to the Attorney General of the original envelope bearing a notation
25 that receipt thereof was refused.

1 8. (a) No person shall act as a professional fund raiser for a
2 charitable organization required to register pursuant to section 4 of
3 this act before he has registered with the Attorney General or after
4 the expiration or cancellation of such registration or any renewal
5 thereof. Applications for registration and reregistration shall be in
6 writing, under oath, in the form prescribed by the Attorney General
7 and shall be accompanied by an annual fee in the sum of \$50.00. The
8 applicant shall at the time of making application, file with, and
9 have approved by, the Attorney General a bond in which the appli-
10 cant shall be the principal obligor, in the sum of ***[\$5,000.00]***
11 *\$10,000.00* with one or more sureties whose liability in the aggre-
12 gate as such sureties will at least equal the said sum. The said bond
13 shall run to the Attorney General for the use of the State and to
14 any person who may have a cause of action against the obligor of
15 said bond for any malfeasance or misfeasance in the conduct of such
16 solicitation. Registration or reregistration when effected shall be
17 for a period of 1 year, or a part thereof, expiring on June 30, and
18 may be renewed upon written application, under oath, in the form
19 prescribed by the Attorney General and the filing of the bond and
20 the fee prescribed herein for additional 1 year periods. Applica-
21 tions for registration and reregistration and bonds, when filed with

22 the Attorney General shall become public records in the office of the
23 Attorney General.

24-25 (b) A professional fund raiser shall maintain accurate and cur-
26 rent books and records of his activities as such while required to be
27 registered under subsection (a) of this section; and, until at least
28 3 years shall have elapsed after the end of the effective period of
29 the registration to which they relate, he shall keep such books and
30 records in his office available for inspection and examination by
31 the Attorney General or his duly authorized representatives.

32 (c) Any person who willfully violates the provisions of this sec-
33 tion is guilty of a misdemeanor.

1 9. (a) No person shall act as a professional solicitor in the
2 employ of a professional fund raiser required to register pursuant
3 to section 8 of this act before he has registered with the department
4 or after the expiration or cancellation of such registration or any
5 renewal thereof. Application for registration or reregistration
6 shall be in writing, under oath, in the form prescribed by the
7-9 Attorney General, and shall be accompanied by a fee in the sum of
10 \$10.00. Such registration or reregistration when effected shall be
11 for a period of 1 year, or a part thereof, expiring on June 30 and
12 may be renewed upon written application, under oath, in the form
13 prescribed by the Attorney General and the payment of the fee
14 prescribed herein, for additional 1 year periods. Applications for
15 registration and reregistration, when filed with the Attorney
16 General, shall become public records in the office of the Attorney
17 General.

18 (b) Any person who willfully violates the provisions of this sec-
19 tion is guilty of a misdemeanor.

1 10. (a) No charitable organization shall pay or agree to pay to **a*
2 *professional fund raiser or** a professional solicitor or his agents,
3 servants or employees in the aggregate a total amount in excess of
4 15% (including reimbursement for expenses incurred) of the total
5 moneys, pledges or other property raised or received by reason of
6 any solicitation activities or campaigns.

7 (b) For purposes of this section the total moneys, funds, pledges
8 or other property raised or received shall not include the actual
9 cost to the charitable organization ***[or]*** **, professional fund*
9A *raiser or a** professional solicitor of goods sold or service provided
10 to the public in connection with the soliciting of contributions.

11 (c) Every contract or written agreement between **a** profes-
12 sional ***[fund-raising counsel]*** **fund raiser or professional solici-*
13 *tor** and a charitable organization shall be filed with the Attorney

14 General within 10 days after such contract or written agreement is
14A concluded.

15 (d) Every contract or a written statement of the nature of the
16 arrangement to prevail in the absence of a contract between a **pro-*
17 *essional fund raiser or** professional solicitor and a charitable
18 organization shall be filed with the Attorney General within 10 days
19 after such contract or written agreement is concluded. If the con-
19A tract or arrangement with a **professional fund raiser or** pro-
20 fessional solicitor does not provide for compensation on a per-
21 centage basis, the Attorney General shall examine the contract
22 to ascertain whether the compensation to be paid in such cir-
23 cumstances is likely to exceed 15% of the total moneys, pledges or
24 other property raised or received as a result of the contract or
25 arrangement; if the reasonable probabilities are that compensation
26 will exceed 15% of the total moneys, pledges or other property, the
27 Attorney General shall disapprove the contract or arrangement
28 within 10 days after its filing. No registered charitable organiza-
29 tion*, *professional fund raiser** or professional solicitor shall carry
30 out or execute a disapproved contract, or receive or perform ser-
31 vices, or receive or make payments, pursuant to a disapproved con-
32 tract. Any party to a disapproved contract shall, upon written
33 request made within 30 days of disapproval, be given a hearing
34 before the Attorney General within 30 days after such request is
35 filed. Any person who willfully violates the provisions of this sec-
36 tion is guilty of a misdemeanor.

1 11. Any professional fund raiser or professional solicitor res-
2 ident or having his or its principal place of business without the
3 State or organized under and by virtue of the laws of a foreign
4 State, who or which shall solicit contributions from people in this
5 State, shall be deemed to have irrevocably appointed the Secretary
6 of State as his or its agent upon whom may be served any process
7 directed to such professional fund raiser, professional solicitor or
8 any partner, principal, officer, or director thereof, in any action or
9 proceeding brought by the Attorney General under the provisions
10 of this act. Service of such process upon the Secretary of State
11 shall be made by personally delivering to and leaving with him or
12 a deputy Secretary of State a copy thereof at the office of the De-
13 partment of State in the city of Trenton, and such service shall be
14 sufficient service provided that notice of such service and a copy
15 of such process are forthwith sent by the Attorney General to such
16 professional fund raiser or professional solicitor by registered mail
17 with return receipt requested, or his or its office as set forth in the
18 registration form required to be filed in the department pursuant

19 to sections 8 and 9 of this act, or in default of the filing of such
20 form, at the last address known to the Attorney General. Service
21 of such process shall be complete 10 days after the receipt by the
22 Attorney General of a return receipt purporting to be signed by
23 the addressee or a person qualified to receive his or its registered
24 mail, or, if acceptance was refused by the addressee or his or its
25 agent, 10 days after the return to the Attorney General of the
26 original envelope bearing a notation that receipt thereof was
27 refused.

1 12. (a) No charitable organization required to be registered pur-
2 suant to this act shall employ any professional fund raiser required
3 to be registered pursuant to this act unless and until such fund
4 raiser is so registered.

5 (b) No professional fund raiser required to be registered pur-
6 suant to this act shall enter into any contract or raise any funds
7 for any organization required to be registered pursuant to this act
8 unless such charitable organization is actually so registered.

9 (c) No professional fund raiser required to be registered under
10 this act shall employ any professional solicitor who is not regis-
11 tered in accordance with this act.

12 (d) In addition to all other remedies provided by law the
13 Attorney General may bring an action to enjoin any violation of
14 the provisions of this section. The Attorney General may give
15 notice of at least 15 days in writing by registered or certified mail
16 to the organization, person or persons violating the provisions
17 hereof, requiring that registration be accomplished or that the
18 solicitation of funds be immediately terminated. The failure to im-
19 mediately discontinue solicitation or to register in accordance with
20 the provisions of this article within 15 days of service of such notice
21 shall be deemed to be a continuing fraud upon the people of this
22 State.

1 13. (a) No person shall, for the purpose of soliciting contribu-
2 tions from persons in this State, use the name of any other person,
3 except that of an officer, director or trustee of the ***[charitable]***
4 **charitable** organization by or for which contributions are solicited,
5 without the written consent of such other person.

6 (b) A person shall be deemed to have used the name of another
7 person for the purpose of soliciting contributions if such latter
8 person's name is listed on any stationery, advertisement, brochure
9 or correspondence in or by which a contribution is solicited by or
10 on behalf of a charitable organization or his name is listed or
11 referred to in connection with a request for a contribution as one

12 who has contributed to, sponsored or indorsed the charitable or-
13 ganization or its activities.

14 (c) Nothing contained in this section shall prevent the publica-
15 tion of names of contributors without their written consents, in an
16 annual or other periodic report issued by a charitable organization
17 for the purpose of reporting on its operations and affairs to its
18 membership or for the purpose of reporting contributions to
19 contributors.

20 (d) Any person who willfully violates the provisions of this sec-
21 tion is guilty of a misdemeanor.

1 14. (a) In addition to any other action or proceeding authorized
2 by law, the Attorney General may bring an action in the Superior
3 Court against any charitable organization, professional fund raiser,
4 or professional solicitor, and any other persons acting for it or him
5 or in its or his behalf, to enjoin such charitable organization, pro-
6 fessional fund raiser, or professional solicitor from continuing the
7 solicitation or collection of funds or property or engaging therein
8 or doing any acts in furtherance thereof, and to cancel any regis-
9 tration statement previously filed with the Attorney General, when-
10 ever the Attorney General shall have reason to believe that the
11 charitable organization, professional fund raiser, or professional
12 solicitor:

13 (1) Is operating in violation of the provisions of this act;

14 (2) Has refused or failed, or any of its principal officers has
15 refused or failed, after notice, to produce any records of such
16 organization;

17 (3) Is employing or about to employ, or there is employed or
18 about to be employed, in any solicitation or collection of funds or
19 other property for such organization, any device, scheme or
20 artifice to defraud or for obtaining money or property by means
21 of a false pretense, representation or promise;

22 (4) Has made a material false statement in an application,
23 registration or statement required to be filed pursuant to this
24 article; or

25 (5) Is soliciting funds by mail where the solicitation includes
26 the sending of goods, wares or merchandise not ordered or re-
27 quested by the recipient and less than 50% of the total amount of
28 the funds so raised is or will be devoted to the purported purposes
29 of the charitable organization.

30 (b) The Attorney General may exercise the authority granted in
31 this section against any charitable organization which operates
32 under the guise or pretense of being an organization exempted by

33 the provisions of section 5 and is not in fact an organization en-
34 titled to such an exemption.

35 (c) The Superior Court, in any action brought pursuant to this
36 section, shall grant such relief as may be appropriate in the
37 circumstances.

1 15. The Attorney General shall issue and promulgate such rules
2 and regulations as he may deem necessary and appropriate to
3 carry out the purposes of this act, and may revise, repeal or amend
4 said rules and regulations from time to time as he may deem
5 necessary.

1 16. (a) The provisions and requirements of this act shall be
2 cumulative of, and in addition to, the provisions of any other law
3 concerning charitable organizations.

4 (b) This act shall not be construed to limit or restrict the
5 exercise of the powers or the performance of the duties of the
6 Attorney General which he is otherwise authorized to exercise or
7 perform under any other provision of law.

1 17. If any section, subsection, paragraph, sentence or other part
2 of this act is adjudged unconstitutional or invalid, such judgment
3 shall not affect, impair or invalidate the remainder of this act, but
4 shall be confined in its effect to the section, subsection, paragraph,
5 sentence or other part of this act directly involved in the contro-
6 versy in which such judgment shall have been rendered.

1 18. There is hereby appropriated out of the General Treasury
2 to the Department of Law and Public Safety the sum of \$25,000.00
3 for the purpose of carrying out the provisions of this act for the
4 period ending June 30, 1970.

1 19. Sections 1 and 2 of P. L. 1959, chapter 147 (C. 40:48-2.34
2 and C. 40:48-2.35) are repealed.

1 20. This act shall take effect 30 days after the approval thereof.

FISCAL NOTE TO
ASSEMBLY, No. 287

STATE OF NEW JERSEY

DATED: MARCH 9, 1970

Assembly Bill No. 287, 1970, designed the "Charitable Fund Raising Act of 1970," provides for the registration of charitable organizations, professional fund raisers and solicitors and regulates fees. It appropriates \$25,000.00 for the purpose of carrying out the provisions of the act for the period ending June 30, 1970.

The Department of Law and Public Service, basing its estimate on statistics supplied by the State of New York, believes that if this legislation is enacted, the costs incurred thereby for the period April 1 to June 30, 1970, would be \$18,861.00, which amount is \$6,139.00 less than the amount appropriated in the bill.

In the fiscal years 1970-71 and 1971-72, it is estimated that costs would total \$54,113.00 and \$56,605.00 respectively. It is noted that the Charitable Fund Raising Act is a continuing deficit operation.

In compliance with written request received, thereis hereby submitted a fiscal estimate for the above bill, pursuant to P. L. 1962, c. 27.

SENATE COMMITTEE AMENDMENTS TO
ASSEMBLY, No. 287
[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

ADOPTED APRIL 5, 1971

Amend page 1, section 1, line 2, omit "1970", insert "1971".

Amend page 3, section 5 (1), line 10, after "Education", insert "or
the Department of Higher Education".

Amend page 12, section 18, line 4, omit "1970", insert "1971".

FURTHER SENATE AMENDMENT TO
ASSEMBLY, No. 287
[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

ADOPTED MAY 3, 1971

Amend page 4, section 5, line 57, after line 57 insert:

“(7) Any charitable organization incorporated by special act of the Legislature or under the provisions of Title 15 of the Revised Statutes for the care and treatment of invalid or crippled children.”

FROM THE OFFICE OF THE GOVERNOR
FROM THE OFFICE OF THE GOVERNOR

MARCH 2, 1972

FOR RELEASE:
IMMEDIATE

Governor William T. Cahill today signed^v Assembly Bill 287 (1971), sponsored by Assemblyman William K. Dickey (R., Camden), which regulates charitable fund raising.

The Governor pointed out, "In the area of fund raising, both the general public and the charitable organization which seeks a professional fund raiser need protection. For the first time, this bill will provide both groups with meaningful assistance in an effort to assure that fund raising is carried out as intended and the money which is raised from the public reaches its desired goal."

The bill provides for the registration of each charitable organization and requires that each organization receiving contributions in excess of \$10,000 or whose fund raising function is not carried on solely by unpaid persons file a written report including a financial statement, a balance sheet, a schedule of the activities carried on by the organization and the amount expended on those activities. Furthermore, the bill requires that books, records and reports of the charitable organization or the professional fund raiser be available to the Office of the Attorney General for inspection at all times.

"The professional fund raiser can perform an important service for a charitable organization; however, in some instances, the charitable organization realizes a smaller share of the funds raised than it had expected. In order to alleviate this problem the bill provides for a 15% limit on the fee of a professional fund raiser, empowers the Attorney General to review each contract and gives him the power to disapprove a contract in the event that it appears that the compensation to be paid is likely to exceed 15%. In connection with the enforcement of rules and regulations which the Attorney General is empowered to promulgate, he has been given authority to seek unjunctive relief."