

## Amendment No. 532

Assembly Amendment to Assembly Bill No. 50

(BDR 7-447)

**Proposed by:** Assembly Committee on Judiciary**Amends:** Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: No

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date	
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/> _____		Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/> _____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/> _____		Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/> _____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/> _____		Receded	<input type="checkbox"/>	Not	<input type="checkbox"/> _____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

WBD/BJF



Date: 4/14/2015

A.B. No. 50—Revises provisions concerning the solicitation of contributions.  
(BDR 7-447)



## ASSEMBLY BILL NO. 50—COMMITTEE ON JUDICIARY

(ON BEHALF OF THE SECRETARY OF STATE)

PREFILED DECEMBER 20, 2014

Referred to Committee on Judiciary

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

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

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

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

**Legislative Counsel's Digest:**

Existing law governs the solicitation of charitable contributions within the State by nonprofit corporations. (NRS 82.382-82.417) **Section 27** of this bill repeals those provisions of existing law. **Sections 2-22** of this bill reenact and revise those repealed sections to provide governance of the solicitation of charitable and other contributions by all charitable organizations and nonprofit organizations in this State.

**Section 14** requires every charitable organization that intends to solicit tax-deductible charitable contributions in this State, other than certain types of charitable organizations exempted by **section 15**, to register with the Secretary of State by filing certain information and a financial report with the Secretary of State before the charitable organization first solicits a charitable contribution in this State or has a charitable contribution solicited in this State on its behalf by another person and annually thereafter. In certain circumstances, **section 14** authorizes a charitable organization to submit a copy of its Form 990 as filed with the Internal Revenue Service for the most recent fiscal year as its financial report. **Section 18** requires the Secretary of State to make available the information and financial report on the Secretary of State's Internet website.

**Section 19** provides that if a charitable organization fails to file the information and financial report as required for registration on or before the due date, the Secretary of State will impose a \$50 penalty and notify the organization. If the charitable organization fails to file the information and financial report and pay the penalty within 90 days after receiving notice, **section 19** further authorizes the Secretary of State to impose a civil penalty of not

more than \$1,000 and issue a cease and desist order prohibiting any further solicitation of contributions by the organization. If the charitable organization fails to pay the penalty or comply with the cease and desist order, **section 19** authorizes the Secretary of State to: (1) forfeit the right of the charitable organization to transact business in this State; and (2) refer the matter to the Attorney General for a determination of whether to institute the appropriate proceedings in a court of competent jurisdiction.

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

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

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

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

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

**Sec. 3.** *"Alumni association" means an organization whose membership is limited to graduates or former students of a particular university, college or school and which raises funds to support its membership and its activities.*

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

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

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

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

1       Sec. 8. *"Contribution" means the promise or grant of any money or*  
2 *property of any kind or value.*

3       Sec. 9. *"Corporation for Public Broadcasting" means the corporation*  
4 *established pursuant to 47 U.S.C. § 396(b).*

5       Sec. 10. *"Form 990" means the Return of Organization Exempt from*  
6 *Income Tax (Form 990) of the Internal Revenue Service of the United States*  
7 *Department of the Treasury, or any equivalent or successor form of the Internal*  
8 *Revenue Service.*

9       Sec. 11. *"Nonprofit organization" means an organization which qualifies*  
10 *as tax exempt pursuant to section 501(c) of the Internal Revenue Code.*

11       Sec. 12. *"Solicit" means to request a contribution, donation, gift or the like*  
12 *that is made by any means, including, without limitation:*

- 13       1. *Mail;*  
14       2. *Commercial carrier;*  
15       3. *Telephone, facsimile, electronic mail or other electronic medium or*  
16 *device;*  
17       4. *A face-to-face meeting; or*  
18       5. *A special event or promotion.*

19       *☞ The term includes, without limitation, requesting a contribution, donation, gift*  
20 *or the like from a location outside of this State to persons located in this State.*

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

23       Sec. 14. 1. *Except as otherwise provided in section 15 of this act, a*  
24 *charitable organization shall not solicit charitable contributions in this State, or*  
25 *have charitable contributions solicited in this State on its behalf by another*  
26 *person, unless the charitable organization is registered with the Secretary of State*  
27 *pursuant to this section. Each chapter, branch or affiliate of a charitable*  
28 *organization may register separately.*

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

- 32       (a) *The information required by subsection 4; and*  
33       (b) *A financial report that satisfies the requirements of subsection 5.*  
34       3. *If a charitable organization is:*  
35       (a) *An entity required to file an initial or annual list with the Secretary of*  
36 *State pursuant to this title, the charitable organization must file the information*  
37 *and financial report required by subsection 2 at the time of filing the initial list*  
38 *and at the time of filing each annual list. If the charitable organization did not*  
39 *file the information and financial report required by subsection 2 at the time of*  
40 *filing its initial list or at the time of filing its most recent annual list, it must file*  
41 *the information required by subsection 2 before soliciting charitable*  
42 *contributions in this State, or having charitable contributions solicited in this*  
43 *State on its behalf by another person, and thereafter at the time of filing each*  
44 *annual list.*

45       (b) *Not an entity required to file an initial or annual list with the Secretary of*  
46 *State pursuant to this title, the charitable organization must file the information*  
47 *and financial report required by subsection 2 before it solicits charitable*  
48 *contributions in this State, or has charitable contributions solicited in this State*  
49 *on its behalf by another person, and annually thereafter on the last day of the*  
50 *month in which the anniversary date of the initial filing of the information and*  
51 *financial report.*

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

1 (a) The exact name of the charitable organization as registered with the  
2 Internal Revenue Service;

3 (b) The federal tax identification number of the charitable organization;

4 (c) The name of the charitable organization as registered with the Secretary  
5 of State or, in the case of a foreign charitable organization, the name of the  
6 foreign charitable organization as filed in its jurisdiction of origin;

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

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

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

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

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

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

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

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

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

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

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

37 6. All information and the financial report filed pursuant to this section are  
38 public records. The filing of information pursuant to this section is not an  
39 endorsement of any charitable organization by the Secretary of State or the State  
40 of Nevada.

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

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

45 (b) Directed only to persons who are related within the third degree of  
46 consanguinity or affinity to the officers, directors, trustees or executive personnel  
47 of the charitable organization;

48 (c) Conducted by a church or one or more of its integrated auxiliaries or by a  
49 convention or association of churches that is exempt from taxation pursuant to  
50 section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), and  
51 exempt from filing an annual return pursuant to section 6033 of the Internal  
52 Revenue Code, 26 U.S.C. § 6033; ~~for~~

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

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

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

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

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

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

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

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

(e) A statement that the contribution:

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

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

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

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

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

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

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

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

- 1 *1. Directed only to a total of fewer than 15 persons annually;*
- 2 *2. Directed to persons who are related within the third degree of*
- 3 *consanguinity or affinity to the officers, directors, trustees or executive personnel*
- 4 *of the charitable organization or nonprofit organization;*
- 5 *3. Conducted by an alumni association of an accredited institution which*
- 6 *solicits only persons who have an established affiliation with the institution,*
- 7 *including, without limitation, current and former students, members of the*
- 8 *faculty or staff, or persons who are within the third degree of consanguinity or*
- 9 *affinity of such persons;*
- 10 *4. Conducted by a public broadcast organization which meets the eligibility*
- 11 *requirements established by the Corporation for Public Broadcasting;*
- 12 *5. Conducted by a church or one or more of its integrated auxiliaries or by*
- 13 *a convention or association of churches that is exempt from taxation pursuant to*
- 14 *section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), and*
- 15 *exempt from filing an annual return pursuant to section 6033 of the Internal*
- 16 *Revenue Code, 26 U.S.C. § 6033;*
- 17 *6. A charitable promotion, service or activity conducted or facilitated by a*
- 18 *for-profit entity or business located in this State if:*
- 19 *(a) The sale of the goods, services or participation by the for-profit entity or*
- 20 *business is incidental to the ordinary transaction of its business; and*
- 21 *(b) The value of the goods, services or participation acquired by the*
- 22 *purchaser or participant is de minimis;*
- 23 *7. Direct sales of tangible goods, items or services by a charitable*
- 24 *organization or nonprofit organization in which the amount paid for the good,*
- 25 *item or service is reasonably proportionate to the current market or face value of*
- 26 *the good, item or service; or*
- 27 *8. An application or request for a grant, contract or similar funding from a*
- 28 *foundation, corporation, nonprofit organization, governmental agency or similar*
- 29 *entity which has an established application and review procedure for*
- 30 *consideration of such applications or requests.*
- 31 **Sec. 18.** *The Secretary of State shall make available to the public and post*
- 32 *on the official Internet website of the Secretary of State the information and*
- 33 *financial report filed by each charitable organization pursuant to sections 14 and*
- 34 *15 of this act.*
- 35 **Sec. 19.** *1. If the Secretary of State finds that a charitable organization*
- 36 *which is required to file the information and financial report required for*
- 37 *registration pursuant to subsection 2 of section 14 of this act is soliciting*
- 38 *charitable contributions in this State, or is having charitable contributions*
- 39 *solicited in this State on its behalf by another person, without having filed the*
- 40 *information and financial report required for registration on or before the due*
- 41 *date for the filing established pursuant to subsection 3 of section 14 of this act,*
- 42 *the Secretary of State shall:*
- 43 *(a) If the charitable organization is required to file an annual list with the*
- 44 *Secretary of State pursuant to this title, impose the penalty for default in the*
- 45 *filing of an annual list set forth in the provisions of this title applicable to the*
- 46 *charitable organization and notify the charitable organization of the violation by*
- 47 *providing written notice to its registered agent. The notice:*
- 48 *(1) Must include a statement that the charitable organization is required*
- 49 *to file the information and financial statement required for registration by*
- 50 *subsection 2 of section 14 of this act and pay the penalty for default in the filing*
- 51 *of an annual list set forth in the provisions of this title applicable to the charitable*
- 52 *organization; and*
- 53 *(2) May be provided electronically.*



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

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

11       ***(2) May be provided electronically.***

12       ***2. If a charitable organization fails to file the information and financial***  
13 ***report required by subsection 2 of section 14 of this act and pay the penalty for***  
14 ***default as set forth in this section within 90 days after the charitable organization***  
15 ***or its registered agent receives the written notice provided pursuant to subsection***  
16 ***1, the Secretary of State may, in addition to imposing the penalty for default as***  
17 ***set forth in this section, take any or all of the following actions:***

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

19       ***(b) Issue an order to cease and desist soliciting charitable contributions or***  
20 ***having charitable contributions solicited on behalf of the charitable organization***  
21 ***by another person.***

22       ***3. An action taken pursuant to subsection 2 is a final decision for the***  
23 ***purposes of judicial review pursuant to chapter 233B of NRS.***

24       ***4. If a charitable organization fails to pay a civil penalty imposed by the***  
25 ***Secretary of State pursuant to subsection 2 or comply with an order to cease and***  
26 ***desist issued by the Secretary of State pursuant to subsection 2, the Secretary of***  
27 ***State may:***

28       ***(a) If the charitable organization is organized pursuant to this title, revoke***  
29 ***the charter of the charitable organization. If the charter of the charitable***  
30 ***organization is revoked pursuant to this paragraph, the charitable organization***  
31 ***forfeits its right to transact business in this State.***

32       ***(b) If the charitable organization is a foreign nonprofit charitable***  
33 ***organization, forfeit the right of the foreign nonprofit charitable organization to***  
34 ***transact business in this State.***

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

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

41       ***2. The Secretary of State may refer an alleged violation of any provision of***  
42 ***this chapter, NRS 598.1305 or any other provision of the laws of this State***  
43 ***governing the solicitation of charitable contributions to the Attorney General for a***  
44 ***determination of whether to institute proceedings in a court of competent***  
45 ***jurisdiction to enforce the provisions of this chapter, NRS 598.1305 or any other***  
46 ***provision of the laws of this State governing the solicitation of charitable***  
47 ***contributions. The Attorney General may institute and prosecute the appropriate***  
48 ***proceedings to enforce the provisions of this chapter, NRS 598.1305 or any other***  
49 ***provision of the laws of this State governing the solicitation of charitable***  
50 ***contributions.***

51       ***3. In addition to any other penalty imposed by law, in a proceeding***  
52 ***instituted by the Attorney General pursuant to subsection 2, the Attorney General***  
53 ***may seek an injunction or other equitable relief and may recover a civil penalty***



1 *of not more than \$1,000 for each violation. If the Attorney General prevails in*  
2 *such a proceeding, the Attorney General is entitled to recover the costs of the*  
3 *proceeding, including, without limitation, the cost of any investigation and*  
4 *reasonable attorney's fees.*

5 **Sec. 21.** *The powers and duties of the Secretary of State and the Attorney*  
6 *General pursuant to the provisions of this chapter are in addition to other powers*  
7 *and duties of the Secretary of State and Attorney General with respect to*  
8 *charitable organizations and nonprofit organizations.*

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

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

12 82.131 Subject to such limitations, if any, as may be contained in its articles,  
13 and except as otherwise provided in ~~NRS 82.392~~ **section 14 of this act**, every  
14 corporation may:

15 1. Borrow money and contract debts when necessary for the transaction of its  
16 business, or for the exercise of its corporate rights, privileges or franchises, or for  
17 any other lawful purpose of its incorporation, issue bonds, promissory notes, drafts,  
18 debentures and other obligations and evidences of indebtedness, payable at a  
19 specified time or times, or payable upon the happening of a specified event or  
20 events, whether secured by mortgage, pledge or other security, or unsecured, for  
21 money borrowed, or in payment for property purchased or acquired, or for any  
22 other lawful object.

23 2. Guarantee, purchase, hold, take, obtain, receive, subscribe for, own, use,  
24 dispose of, sell, exchange, lease, lend, assign, mortgage, pledge or otherwise  
25 acquire, transfer or deal in or with bonds or obligations of, or shares, securities or  
26 interests in or issued by any person, government, governmental agency or political  
27 subdivision of government, and exercise all the rights, powers and privileges of  
28 ownership of such an interest, including the right to vote, if any.

29 3. Issue certificates evidencing membership and issue identity cards.

30 4. Make donations for the public welfare or for community funds, hospital,  
31 charitable, educational, scientific, civil, religious or similar purposes.

32 5. Levy dues, assessments and fees.

33 6. Purchase, take, receive, lease, take by gift, devise or bequest, or otherwise  
34 acquire, own, improve, use and otherwise deal in and with real or personal  
35 property, or any interest therein, wherever situated.

36 7. Carry on a business for profit and apply any profit that results from the  
37 business to any activity in which it may lawfully engage.

38 8. Participate with others in any partnership, joint venture or other  
39 association, transaction or arrangement of any kind, whether or not participation  
40 involves sharing or delegation of control with or to others.

41 9. Act as trustee under any trust incidental to the principal objects of the  
42 corporation, and receive, hold, administer, exchange and expend funds and property  
43 subject to the trust.

44 10. Pay reasonable compensation to officers, directors and employees, pay  
45 pensions, retirement allowances and compensation for past services, and establish  
46 incentive or benefit plans, trusts and provisions for the benefit of its officers,  
47 directors, employees, agents and their families, dependents and beneficiaries, and  
48 indemnify and buy insurance for a fiduciary of such a benefit or incentive plan,  
49 trust or provision.

50 11. Have one or more offices, and hold, purchase, mortgage and convey real  
51 and personal property in this State, and in any of the several states, territories,  
52 possessions and dependencies of the United States, the District of Columbia and  
53 any foreign countries.

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

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

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

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

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

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

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

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

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

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

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

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

~~(a) Make any claim or representation concerning a contribution which directly, or by implication, has the capacity, tendency or effect of deceiving or misleading a person acting reasonably under the circumstances; or~~

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

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

1 ~~—4.1~~ 2. Notwithstanding any other provisions of this chapter, the Attorney  
2 General has primary jurisdiction to investigate and prosecute a violation of this  
3 section.

4 ~~15.1~~ 3. Except as otherwise provided in NRS 41.480 and 41.485, a violation of  
5 this section constitutes a deceptive trade practice for the purposes of NRS 598.0903  
6 to 598.0999, inclusive.

7 ~~16.1~~ 4. As used in this section:

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

13 (b) “Solicitation” means a request for a contribution to a charitable  
14 organization or nonprofit corporation that is made by any means, including, without  
15 limitation:

- 16 (1) Mail;  
17 (2) Commercial carrier;  
18 (3) Telephone, facsimile, electronic mail or other electronic *medium or*  
19 device; or  
20 (4) A face-to-face meeting.

21 ↪ The term includes *, without limitation,* solicitations which are made from a  
22 location within this State and solicitations which are made from a location outside  
23 of this State to persons located in this State. ~~{For the purposes of subsections 1 and~~  
24 ~~3, the term does not include solicitations which are directed only to a total of fewer~~  
25 ~~than 15 persons or only to persons who are related within the third degree of~~  
26 ~~consanguinity or affinity to the officers, directors, trustees or executive personnel of~~  
27 ~~the charitable organization or nonprofit corporation.}~~

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

31 **Sec. 27.** NRS 82.382, 82.387, 82.392, 82.397, 82.402, 82.407, 82.412 and  
32 82.417 are hereby repealed.

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

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

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

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## LEADLINES OF REPEALED SECTIONS

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82.382 “Charitable contribution” defined.

82.387 Applicability.

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

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

82.402 Penalty for failure to register with Secretary of State.

82.407 Enforcement of laws governing solicitation of charitable  
contributions: Secretary of State required to provide notice of alleged

**violation; referral of alleged violation to Attorney General; proceedings instituted by Attorney General.**

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

**82.417 Regulations.**