

State of California

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Legislative Change No.

00-20

Bill Number: SB 2015

Author: Sher

Chapter Number: 00-475

Laws Affecting Franchise Tax Board:

Government Code Sections 12586.1, 12586.2, 12591.1, 12591.2 and 12598

Date Filed with the Secretary of the State:

September 18, 2000

SUBJECT: Charitable Fundraising

Senate Bill 2015 (Sher), as enacted on September 18, 2000, made the following changes to California law:

Section 12586.1 of the Government Code is added.

This act assesses a charitable organization with a late fee or an additional fee of \$25 for each month or part of the month a charitable organization fails to file its registration statement and financial report required under the Supervision of Trustees and Fundraisers for Charitable Purposes Act (Act) or performs or fails to perform certain other acts.

Section 12586.2 of the Government Code is added.

This act specifies that all fines, penalties, and attorney's fees paid to the Attorney General (AG) must be used by the Department of Justice solely for the administration of the AG's charitable trust enforcement responsibilities.

Section 12591.1 of the Government Code is added.

This act imposes a civil penalty, not to exceed \$10,000, on any person who violates any provision of the Act with intent to deceive or defraud any charity or individual. The civil penalty for the first violation of any other provision of the Act will be a fine not to exceed \$1,000. Any subsequent violations will result in a fine not to exceed \$2,500. The person will not be liable for the civil penalty for failing to file annual reports or registration/renewal forms if the person did not receive reasonable notification of the violation and was not given a reasonable opportunity to correct the violation. Also, recovery of the civil penalty precludes assessment of the late fee also being imposed by this act.

Section 12591.2 of the Government Code is added.

This act allows the AG to accept assurance of voluntary compliance with the Act from any person who is alleged to be engaged in any method, act, or practice in violation of the Act's provisions. The assurance of compliance must be in writing and filed with the superior court in this state for approval. The AG may initiate contempt proceedings or proceed as if the assurance of voluntary compliance has not been accepted in the event of an alleged violation.

Bureau Director

Johnnie Lou Roasa

Date

09/20/2000

Section 12598 of the Government Code is amended.

This act allows the AG to refuse to register or revoke or suspend the registration of a charitable organization when the AG determines that the provisions of the Act have been violated.

This act is effective January 1, 2001, and operative on or after that date.

This act will not require any reports by the department to the Legislature.