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March 22, 2023

## **House Bill 72- Business Regulation – Charitable Organizations**

### Senate Judicial Proceedings Committee

Thank you, Chairman Smith, Vice Chair Waldstreicher, and distinguished members of the Judicial Proceedings Committee. The Office of the Secretary of State urges the Committee to make conforming and technical amendments to HB72 to ensure appropriate implementation.

Technical amendments are sought to clarify the intended reach of the new provisions and ensure clarity on how the new provisions are to be implemented by the Secretary of State's Charitable Organizations Division. The changes allow for the Secretary of State to accept other documentation in place of an audit or review for certain, small charitable organizations, who may otherwise be required to submit an independent financial review or audit with an annual registration.

Amendments that have already been made to the Senate Bill cross-file included substantive statutory provisions and a cap on charitable contributions and were the result of careful review and collaboration between the Secretary of State and the bill sponsor.

- Note the language that this committee added in the Senate Bill 254 cross-file 6-402(c)(1)(l) qualifying language for "PRIMARYLY SOLICITS "IN-KIND" CONTRIBUTIONS;

In addition to this substantive change already reflected in the SB, we ask your consideration of the following two technical amendments needed for effective and clear implementation:

- Add after the word including in proposed 6-402(c): "*from certain charitable organizations that primarily solicit and receive noncash contributions,*".
- Substitute "noncash" for "in-kind" in the proposed 6-402(c)(l)(i).

To conclude, we believe these amendments are needed to ensure that the purpose of the bill is clear and to ensure there is no confusion about how the new provisions are to be properly implemented. We respectfully request a favorable motion with these amendments.