ASSEMBLY, No. 1816

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Assemblyman ERIK PETERSON
District 23 (Hunterdon, Somerset and Warren)

SYNOPSIS

Exempts volunteer fire companies from charitable registration fees.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT concerning exemptions from charitable organization registration requirements and amending P.L.1994, c.16.

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

1. Section 9 of P.L.1994, c.16 (C.45:17A-26) is amended to read as follows:

9. a. The registration requirements of this act shall not apply to any religious corporation, trust, foundation, association or organization incorporated under the provisions of Title 15 or 16 of the Revised Statutes or Title 15A of the New Jersey Statutes or established for religious purposes. Any agency or organization incorporated or established for charitable purposes and engaged in effectuating one or more charitable purposes, which is affiliated with, operated by, or supervised or controlled by a corporation, trust, foundation, association, or organization incorporated or established for religious purposes, or any other religious agency or organization shall also be exempt.

b. The registration requirements of this act shall not apply to any educational institution, the curriculums of which in whole or in part are registered or approved by the State Department of Education or the New Jersey Commission on Higher Education, either directly or by acceptance of accreditation by an accredited body recognized by these departments; an educational institution confining its solicitation of contributions to its student body, alumni, faculty and trustees, and their families; or a library registered by the State Department of Education, provided that the annual financial report of that institution or library shall be filed with the State Department of Education where it shall be open for public inspection.

c. The registration requirements of P.L.1994, c.16 (C.45:17A-18 et seq.) shall not apply to any charitable organization or organizations engaging in a charitable fund raising campaign which do not receive gross contributions in excess of $10,000 during a fiscal year, if all of its functions, including fund raising activities, are carried on by volunteers, members, officers or persons who are not compensated for soliciting contributions, except that if the gross contributions, whether or not all is received by any charitable organization during any fiscal year, are in excess of $10,000 the charitable organization shall, within 30 days after the date on which it shall have received the contributions, register with and report to the Attorney General as required by section 7 of P.L.1994, c.16 (C.45:17A-24);

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

Matter underlined <u>thus</u> is new matter.

d. A charitable organization that meets all of the following requirements shall be considered registered as required by this act:

(1) The charitable organization is a local unit of a parent organization which is registered pursuant to this act;

(2) The parent organization has provided all information concerning the local unit required by subsection e. of section 7 or subsection c. of section 8 of this act;

(3) All solicitations made by the local unit are made by members of the local unit or volunteers;

(4) The local unit does not employ a fund raising counsel or independent paid fund raiser or utilize paid staff in preparation of materials or records concerning or related to the solicitations; and

(5) (a) The local unit does not receive gross contributions in excess of $25,000 during the fiscal year; or

(b) The local unit is an organization that limits membership to persons who are or formerly were employed as officers statutorily authorized to enforce the criminal laws of this State.

e. Nothing in subsection d. of this section shall be construed to require a parent organization to register any or all of its local units.

<u>f. The registration requirements of this act shall not apply to any volunteer fire company actively engaged in the protection of life and property and organized pursuant to Title 15 of the Revised Statutes or Title 15A of the New Jersey Statutes or to an active volunteer fire company or similar organization performing similar services which is constituted in a fire district pursuant to N.J.S.40A:14-70.</u>

(cf: P.L.2005, c.283, s.5)

2. This act shall take effect on the first day of the second month after enactment.

STATEMENT

With the exception of religious organizations and schools, tax exempt organizations that raise funds are subject to the payment of fees under the State's Charitable Registration and Investigation Act of 1994. Fees are based on the level of funds raised by the organization. For example, a volunteer fire company that raises between $100,000 and $500,000 in contributions would pay $150 in fees. Organizations which raise $25,000 or less are exempt from fees.

This bill would exempt volunteer fire companies from payment of these fees. Roughly 750 fire organizations, which pay fees totaling approximately $52,000, would benefit.