

ASSEMBLY BILL NO. 119—ASSEMBLYMEN PARKS, GIUNCHIGLIANI,
ANDERSON, LESLIE, PERKINS, ALLEN, ATKINSON,
CLABORN, CONKLIN, DENIS, GANSERT, GERHARDT,
HETTRICK, HOGAN, HOLCOMB, HORNE, KIRKPATRICK,
KOIVISTO, MANENDO, MCCLAIN, MCCLEARY,
MORTENSON, OCEGUERA, OHRENSCHALL, PARNELL,
PIERCE, SEALE, SHERER, SIBLEY AND SMITH

FEBRUARY 23, 2005

JOINT SPONSORS: SENATORS CARLTON, WIENER,
HORSFORD, TITUS, COFFIN AND SCHNEIDER

Referred to Committee on Judiciary

SUMMARY—Requires certain nonprofit corporations that solicit
contributions to register with Secretary of State.
(BDR 7-556)

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

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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 corporations; requiring certain charitable
corporations, before soliciting contributions, to register
with the Secretary of State; prescribing the information
that the registration statement must contain; providing
that a registration statement and financial report must be
filed annually by charitable corporations in certain
circumstances; providing that certain information
provided to the Secretary of State is a public record;
providing that registration must not be construed as an
endorsement of the charitable corporation; requiring the
Secretary of State to provide certain information
concerning charitable corporations to the public; and
providing other matters properly relating thereto.



Legislative Counsel's Digest:

Existing law regulates the activities of nonprofit corporations within the State. (Chapter 82 of NRS)

This bill requires every charitable corporation that intends to solicit contributions in this State to file a registration statement and financial report with the Secretary of State. The registration statement must include certain basic information about the charitable corporation. The financial report, under certain circumstances, may be a copy of the corporation's Form 990 IRS filing for the most recent fiscal year. The registration statement and financial statement must be filed annually.

This bill requires the Secretary of State to publish certain information provided by a charitable corporation on the Secretary of State's Internet website.

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

Section 1. Chapter 82 of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.

Sec. 2. *"Charitable corporation" means a corporation that is recognized as exempt under section 501(c)(3) of the Internal Revenue Code of 1986, 26 U.S.C. § 501(c)(3), future amendments to that section and the corresponding provisions of future internal revenue laws.*

Sec. 3. 1. *A charitable corporation shall not solicit contributions in this State by any means, or have contributions solicited in this State on its behalf by any other person or entity, unless the charitable corporation is registered with the Secretary of State pursuant to this section. Each chapter, branch or affiliate of a charitable corporation may register separately.*

2. *To register initially, a charitable corporation must file with the Secretary of State:*

(a) *A registration statement on a form prescribed by the Secretary of State; and*

(b) *A financial report on a form prescribed by the Secretary of State.*

3. *A registration statement must include, without limitation:*

(a) *The name of the charitable corporation, the purpose for which it is organized and the name or names under which it may solicit contributions;*

(b) *The address and telephone number of the principal place of business of the charitable corporation and the address and telephone number of any offices in this State, or, if the charitable corporation does not maintain an office in this State, the name, address and telephone number of the person who has custody of its financial records;*



1 (c) The names and addresses of the officers, directors, trustees
2 and executive personnel of the charitable corporation;

3 (d) The last day of the fiscal year of the charitable
4 corporation; and

5 (e) The place and date of the creation of the charitable
6 corporation, the form of its organization and its tax exempt status.

7 4. Except as otherwise provided in this section, a financial
8 report must contain the financial information of the charitable
9 corporation for the most recent fiscal year. In the discretion of the
10 Secretary of State, the charitable corporation may file as the
11 financial report a copy of the Form 990 of the charitable
12 corporation, with all schedules except the schedules of donors, for
13 the most recent fiscal year. If a charitable corporation was first
14 formed within the past year and does not have financial
15 information or a Form 990 for its most recent fiscal year, the
16 financial report must be completed using good faith estimates for
17 its current fiscal year on a distinct form prescribed by the
18 Secretary of State.

19 5. To maintain its registration, a charitable corporation must,
20 on or before the 15th day of the 5th calendar month after the close
21 of each fiscal year in which the charitable corporation solicited
22 contributions in this State, file with the Secretary of State:

23 (a) A statement that the information on the registration
24 statement has not changed, or a new registration statement; and

25 (b) A new financial report.

26 6. A registration statement, financial report or other
27 statement filed by a charitable corporation pursuant to this section
28 is not valid unless signed under oath or affirmation by an officer
29 of the charitable corporation.

30 7. The Secretary of State shall examine each registration
31 statement, financial report or other statement to determine
32 whether the applicable requirements of this section are satisfied.
33 The Secretary of State shall notify the charitable corporation
34 within 10 days after receipt of the registration statement, financial
35 report or other statement of any deficiencies therein. The
36 Secretary of State shall issue a registration number to each
37 charitable corporation registered pursuant to this section.

38 8. All information filed pursuant to this section, except for
39 residential addresses and telephone numbers of persons and
40 schedules of donors filed with a Form 990, are public records.

41 9. Registration pursuant to this section is not an endorsement
42 of any charitable corporation by the Secretary of State or the State
43 of Nevada.



1 **10. As used in this section, "Form 990" means the Return of**
2 **Organization Exempt From Income Tax (Form 990) of the**
3 **Internal Revenue Service of the United States Department of the**
4 **Treasury, or any equivalent or successor form of the Internal**
5 **Revenue Service of the United States Department of the Treasury.**

6 **Sec. 4. Except as otherwise provided in subsection 8 of**
7 **section 3 of this act, the Secretary of State shall make available to**
8 **the public and post on his Internet website the information**
9 **provided by each charitable corporation pursuant to section 3 of**
10 **this act.**

11 **Sec. 5.** NRS 82.006 is hereby amended to read as follows:

12 82.006 As used in this chapter, unless the context otherwise
13 requires, the words and terms defined in NRS 82.011 to 82.044,
14 inclusive, **and section 2 of this act** have the meanings ascribed to
15 them in those sections.

16 **Sec. 6.** NRS 82.131 is hereby amended to read as follows:

17 82.131 Subject to such limitations, if any, as may be contained
18 in its articles, **and except as otherwise provided pursuant to section**
19 **3 of this act**, every corporation may:

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

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

37 3. Issue certificates evidencing membership and issue identity
38 cards.

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

42 5. Levy dues, assessments and fees.

43 6. Purchase, take, receive, lease, take by gift, devise or bequest,
44 or otherwise acquire, own, improve, use and otherwise deal in and



1 with real or personal property, or any interest therein, wherever
2 situated.

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

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

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

13 10. Pay reasonable compensation to officers, directors and
14 employees, pay pensions, retirement allowances and compensation
15 for past services, and establish incentive or benefit plans, trusts and
16 provisions for the benefit of its officers, directors, employees, agents
17 and their families, dependents and beneficiaries, and indemnify and
18 buy insurance for a fiduciary of such a benefit or incentive plan,
19 trust or provision.

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

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

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

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

39 **Sec. 7.** NRS 82.5231 is hereby amended to read as follows:

40 82.5231 ~~HH~~ *Except as otherwise provided pursuant to section*
41 *3 of this act, if* a foreign nonprofit corporation has filed the initial or
42 annual list in compliance with NRS 82.523 and has paid the
43 appropriate fee for the filing, the cancelled check or other proof of
44 payment received by the foreign nonprofit corporation constitutes a
45 certificate authorizing it to transact its business within this State



- 1 until the last day of the month in which the anniversary of its
- 2 qualification to transact business occurs in the next succeeding
- 3 calendar year.
- 4 **Sec. 8.** This act becomes effective on July 1, 2005.



