

SENATE BILL NO. 153—SENATOR PARKS

FEBRUARY 20, 2009

Referred to Committee on Judiciary

SUMMARY—Requires certain nonprofit corporations that solicit contributions to register with the Secretary of State. (BDR 7-851)

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 corporations; requiring certain charitable corporations, before soliciting contributions, to register with the Secretary of State; providing that registration must not be construed as an endorsement of the charitable corporation; requiring the Secretary of State to provide certain information concerning a charitable corporation 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. The Secretary of State may not charge any fees for the registration of a charitable corporation as set forth in this bill.

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



\* S B 1 5 3 \*

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;*

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

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

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

**4.** *Except as otherwise provided in this section, a financial report must contain the financial information of the charitable corporation for the most recent fiscal year. In the discretion of the Secretary of State, the charitable corporation may file as the financial report a copy of the Form 990 of the charitable corporation, with all schedules except the schedules of donors, for the most recent fiscal year. If a charitable corporation was first*



1 *formed within the past year and does not have financial*  
2 *information or a Form 990 for its most recent fiscal year, the*  
3 *financial report must be completed using good faith estimates for*  
4 *its current fiscal year on a distinct form prescribed by the*  
5 *Secretary of State.*

6 5. *To maintain its registration, a charitable corporation must,*  
7 *on or before the 15th day of the fifth calendar month after the*  
8 *close of each fiscal year in which the charitable corporation*  
9 *solicited contributions in this State, file with the Secretary of*  
10 *State:*

11 (a) *A statement that the information on the registration*  
12 *statement has not changed, or a new registration statement; and*

13 (b) *A new financial report.*

14 6. *A registration statement, financial report or other*  
15 *statement filed by a charitable corporation pursuant to this section*  
16 *is not valid unless signed under oath or affirmation by an officer*  
17 *of the charitable corporation.*

18 7. *The Secretary of State shall examine each registration*  
19 *statement, financial report or other statement to determine*  
20 *whether the applicable requirements of this section are satisfied.*  
21 *The Secretary of State shall notify the charitable corporation*  
22 *within 10 days after receipt of the registration statement, financial*  
23 *report or other statement of any deficiencies therein. The*  
24 *Secretary of State shall issue a registration number to each*  
25 *charitable corporation registered pursuant to this section.*

26 8. *The Secretary of State may not charge any fee to a*  
27 *corporation or any person associated with the corporation for*  
28 *registering or maintaining a registration pursuant to this section.*

29 9. *All information filed pursuant to this section, except for*  
30 *residential addresses and telephone numbers of persons and*  
31 *schedules of donors filed with a Form 990, are public records.*

32 10. *Registration pursuant to this section is not an*  
33 *endorsement of any charitable corporation by the Secretary of*  
34 *State or the State of Nevada.*

35 11. *As used in this section, "Form 990" means the Return of*  
36 *Organization Exempt From Income Tax (Form 990) of the*  
37 *Internal Revenue Service of the United States Department of the*  
38 *Treasury, or any equivalent or successor form of the Internal*  
39 *Revenue Service of the United States Department of the Treasury.*

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



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

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

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

7       82.131 Subject to such limitations, if any, as may be contained  
8 in its articles, *and except as otherwise provided pursuant to section*  
9 *3 of this act*, every corporation may:

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

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

27      3. Issue certificates evidencing membership and issue identity  
28 cards.

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

32      5. Levy dues, assessments and fees.

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

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

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



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

4 10. Pay reasonable compensation to officers, directors and  
5 employees, pay pensions, retirement allowances and compensation  
6 for past services, and establish incentive or benefit plans, trusts and  
7 provisions for the benefit of its officers, directors, employees, agents  
8 and their families, dependents and beneficiaries, and indemnify and  
9 buy insurance for a fiduciary of such a benefit or incentive plan,  
10 trust or provision.

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

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

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

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

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

31 82.5231 ~~HH~~ *Except as otherwise provided pursuant to section*  
32 *3 of this act, if* a foreign nonprofit corporation has filed the initial or  
33 annual list in compliance with NRS 82.523 and has paid the  
34 appropriate fee for the filing, the cancelled check or other proof of  
35 payment received by the foreign nonprofit corporation constitutes a  
36 certificate authorizing it to transact its business within this State  
37 until the last day of the month in which the anniversary of its  
38 qualification to transact business occurs in the next succeeding  
39 calendar year.

40 **Sec. 8.** NRS 82.531 is hereby amended to read as follows:

41 82.531 1. The fee for filing articles of incorporation,  
42 amendments to or restatements of articles of incorporation,  
43 certificates pursuant to NRS 82.061 and 82.063 and records for  
44 dissolution is \$50 for each record.



- 1        2. Except as otherwise provided in *subsection 1 and* NRS  
2        82.193 and ~~{subsection 1,}~~ *section 3 of this act*, the fees for filing  
3        records are those set forth in NRS 78.765 to 78.785, inclusive.  
4        **Sec. 9.** This act becomes effective on July 1, 2009.

