S T A T E  O F  N E W  Y O R K

2040

2009-2010 Regular Sessions

I N  A S S E M B L Y

January 15, 2009

Introduced by M. of A. CALHOUN, BURLING, ERRIGO, KOLB, McDONOUGH, OAKS -- Multi-Sponsored by -- M. of A. ALFANO -- read once and referred to the Committee on Governmental Operations

AN ACT to amend the executive law, in relation to charitable organizations

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

Section 1. Subdivision 1 of section 172 of the executive law is amended by adding a new paragraph (k) to read as follows:

(K) A DETAILED STATEMENT SETTING FORTH HOW THE PERCENTAGE OF FUNDS CONTRIBUTED TO THAT CHARITABLE ORGANIZATION ARE ALLOCATED TO EACH OF THE FOLLOWING: (I) ADMINISTRATIVE AND OPERATING EXPENSES, AND (II) DIRECT CHARITABLE PURPOSES CONSISTENT WITH THOSE STATED IN THAT ORGANIZATION'S REGISTRATION AS REQUIRED BY PARAGRAPH (E) OF THIS SUBDIVISION.

S 2. Subdivision 2 of section 172-d of the executive law, as amended by chapter 43 of the laws of 2002, is amended to read as follows:

2. Engage in any fraudulent or illegal act, device, scheme, artifice to defraud or for obtaining money or property by means of a false pretense, representation or promise, transaction or enterprise in connection with any solicitation or with the registration, reporting and disclosure provisions of this article, INCLUDING ANY STATEMENT THAT COULD REASONABLY BE DEEMED TO FALSELY IMPLY THAT A PROFESSIONAL FUND RAISER AS DEFINED IN THIS ARTICLE IS NOT IN FACT A PROFESSIONAL FUND RAISER BUT IS RATHER A MEMBER OR OFFICER OF THE ORGANIZATION WHICH HAS CONTRACTED WITH SUCH PROFESSIONAL FUND RAISER. The term "fraud" or "fraudulent" as used herein shall include those acts which may be characterized as misleading or deceptive including, but not limited to those acts covered by the term "fraud" or "fraudulent" under subdivision twelve of section sixty-three of this chapter AND ALSO INCLUDING ANY VERBAL OR WRITTEN STATEMENT THAT FALSELY INDICATES THAT A GREATER PERCENTAGE OF FUNDS COLLECTED BY THE PROFESSIONAL FUND RAISER WILL BE

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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FORWARDED TO THE ORGANIZATION WHICH HAS CONTRACTED WITH SUCH PROFESSIONAL FUND RAISER THAN IS IN FACT THE CASE, WHERE THE PROFESSIONAL FUND RAISER EITHER MAKES SUCH A FALSE STATEMENT KNOWINGLY OR IN SUCH A MANNER AS TO CONFUSE OR DECEIVE THE PUBLIC. To establish fraud neither intent to defraud nor injury need to be shown; or

S 3. This act shall take effect on the one hundred eightieth day after it shall have become a law.