

STATE OF NEW YORK

3780

2017-2018 Regular Sessions

IN SENATE

January 27, 2017

Introduced by Sen. RANZENHOFER -- read twice and ordered printed, and
when printed to be committed to the Committee on Finance

AN ACT to amend the executive law, in relation to solicitation used by
or on behalf of any charitable organization

The People of the State of New York, represented in Senate and Assem-
bly, do enact as follows:

1 Section 1. Subdivisions 2 and 3 of section 174-b of the executive law,
2 subdivision 2 as amended by chapter 490 of the laws of 2010, subdivision
3 3 as amended by chapter 43 of the laws of 2002, are amended and a new
4 subdivision 6 is added to read as follows:

5 2. Any solicitation used by or on behalf of any charitable organiza-
6 tion shall [~~provide~~] include:

7 (a) a clear description of the programs and activities for which it
8 has requested and has expended or will expend contributions or shall
9 include therein a statement that, upon request, a person may obtain from
10 the organization such a description; and

11 (b) a statement identifying the website of the New York state office
12 of the attorney general reporting telemarketing campaigns in New York
13 state and a telephone number to contact the charities bureau of the New
14 York state office of the attorney general to answer questions about
15 charities.

16 (c) If the solicitation is by an institution subject to article five-A
17 of the not-for-profit corporation law, and is for an endowment fund, the
18 solicitation must include a statement that, unless otherwise restricted
19 by the gift instrument pursuant to paragraph (b) of section five hundred
20 fifty-three of the not-for-profit corporation law, the institution may
21 expend so much of an endowment fund as it deems prudent after consider-
22 ing the factors set forth in paragraph (a) of section five hundred
23 fifty-three of the not-for-profit corporation law.

24 3. In addition to any other disclosure required by law, any solici-
25 tation by any means by a professional fund raiser or professional solici-

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

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1 tor on behalf of a charitable organization required to be registered
2 pursuant to this article shall clearly and unambiguously disclose:

3 (a) the name of the professional fund raiser as on file with the
4 attorney general and that the solicitation is being conducted by a
5 professional fund raiser;

6 (b) the name of the individual professional solicitor as on file with
7 the attorney general and that the individual is receiving compensation
8 for conducting the solicitation; and

9 (c) a statement identifying the website of the office of the attorney
10 general reporting telemarketing campaigns in New York state and a tele-
11 phone number to contact the charities bureau of the office of the attor-
12 ney general to answer questions about charities.

13 6. An action for a violation of subdivision two or three of this
14 section may be prosecuted by the attorney general, or his or her deputy,
15 in the name of the people of the state, and in any such action, the
16 attorney general or his or her deputy, shall exercise all the powers and
17 perform all duties which the district attorney would otherwise be
18 authorized to exercise or to perform therein pursuant to section one
19 hundred seventy-five of this article. Any charitable organization,
20 professional fund raiser or professional solicitor found to be in
21 violation of subdivision two or three of this section shall be fined one
22 thousand dollars for the first violation and such organization's regis-
23 tration pursuant to section one hundred seventy-two, one hundred seven-
24 ty-three or one hundred seventy-three-b of this article, may be revoked.
25 Any charitable organization, professional fund raiser or professional
26 solicitor found to have been in violation of subdivision two or three of
27 this section in three or more separate occurrences, shall be fined ten
28 thousand dollars and such organization's registration pursuant to
29 section one hundred seventy-two, one hundred seventy-three or one
30 hundred seventy-three-b of this article shall be revoked. The consumer
31 protection division shall, whenever possible, assist the attorney gener-
32 al in any investigation of a charitable organization pursuant to this
33 subdivision.

34 § 2. This act shall take effect on the ninetieth day after it shall
35 have become a law and shall apply to all solicitation used by or on
36 behalf of any charitable organization on and after such effective date.