

1999 HOUSE JUDICIARY
HB 1401

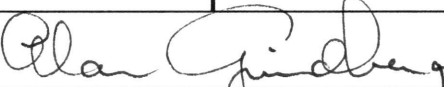
1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1401

House Judiciary Committee

Conference Committee

Hearing Date : February 1, 1999

Tape Number	Side A	Side B	Meter #
1		X	9.5
Committee Clerk Signature 			

Minutes:

ALVIN JAEGER (SOS) Submitted written testimony, a copy of which attached.

PARRELL GROSSMAN (AG) The attorney general is in favor of passage of this bill.

COMMITTEE ACTION: February 1, 1999

REP. DISRUD moved that the committee recommend that the bill DO PASS. Rep. Meyer seconded and the motion carried on a roll call vote with 13 ayes, 0 nays and 2 absent. Rep. Cleary was assigned to carry the bill on the floor.

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: HB 1401 Amendment to: _____
 Requested by Legislative Council Date of Request: January 20, 1999

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

Narrative: This fiscal impact of this bill is less than the reporting requirements under either Joint Rule 501 and 502.

2. State fiscal effect in dollar amounts:

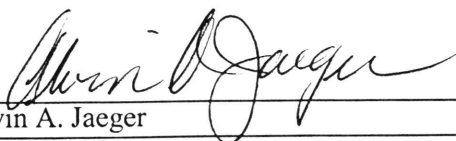
	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	None	None	None	None	None	None
Expenditures	None	None	None	None	None	None

3. What, if any, is the effect of this measure on the budget for your agency or department:

- a. For rest of 1997-99 biennium: None
(Indicate the portion of this amount included in the 1999-2001 executive budget:)
- b. For the 1999-2001 biennium: None
(Indicate the portion of this amount included in the 1999-2001 executive budget:)
- c. For the 2001-03 biennium: None

4. County, city, and school district fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
None	None	None	None	None	None	None	None	None

Signed: 
 Typed Name: Alvin A. Jaeger
 Department: Secretary of State
 Phone Number: 328-2900
 Date Prepared: January 22, 1999

Date: 2/1
 Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1401

House JUDICIARY Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Disrud Seconded By Meyer

Representatives	Yes	No	Representatives	Yes	No
✓ REP. DEKREY	✓		REP. KELSH	✓	
REP. CLEARY	✓		REP. KLEMIN	✓	
REP. DELMORE	✓		REP. KOPPELMAN	✓	
REP. DISRUD	✓		REP. MAHONEY	✓	
REP. FAIRFIELD	✓		REP. MARAGOS		
REP. GORDER			REP. MEYER	✓	
REP. GUNTER	✓		REP. SVEEN	✓	
REP. HAWKEN	✓				

Total Yes 13 No 0

Absent 2

Floor Assignment Cleary

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 1, 1999 2:27 p.m.

Module No: HR-20-1609
Carrier: Cleary
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1401: Judiciary Committee (Rep. DeKrey, Chairman) recommends DO PASS
(13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1401 was placed on the
Eleventh order on the calendar.

1999 SENATE FINANCE AND TAXATION

HB 1401

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1401

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 3-2-99

Tape Number	Side A	Side B	Meter #
HB 1401	X		0-2000
Committee Clerk Signature <i>Sheila Wald</i>			

Minutes:

Sen. Urlacher - opened the hearing on HB 1401, roll taken. A BILL RELATING TO CHARITABLE SOLICITATION LICENSE APPLICATION.

Al Jaeger - Secretary of State -Submitted amendments that clarifies the language. If the law is clear, people can work off of it. Worked with Consumer Fraud Division in developing the language.

Sen. Urlacher - Is it a \$5,000. penalty?

Al Jaeger - We had based it on valid data.

Sen. Christmann - Changes on pg. 8, is violation that they can't continue 'til they file their report + penalty?

Al Jaeger - Yes, It's a bill of clarification, guide. Give a small text for organization & they can follow it easily.

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Senate Finance and Taxation Committee

Bill/Resolution Number Hb 1401

Hearing Date 3-2-99

Sen Schobinger - Penalty is limit to \$5,000 or 5 years.

Al Jaeger - Prosecuted up to felony - lot to be dealt with before going to court., Stipulation of some wrong doing, and then just a slap on the wrist.

Sen Kinnoin - Type of organization out of State?

Al Jaeger - Specific examples, No. We haven't pursued any, but down the road professional fund raisers. They come in and collect, using a post office box and then leave the State. We work closely with the Fraud Department.

Sen. Kroeplin - Is there something done before they go to court?

Al Jaeger - We refer them to Civil Litigation and sometimes an agreement can be reached at that time. It depends on the parties involved.

Sen. Kinnoin - Is this a class A misdemeanor?

Sen. Schobinger - It is a 1 year prison term or \$1,000. fine or could be both.

Sen. Urlacher called for any more testimony or discussion, and closed the hearing.

DISCUSSION 3-3-99 MOTION MADE BY SEN CHRISTMAN TO DO PASS AND

SECONDED BY SEN. WARDNER VOTE 7-0-0. SEN. CHRISTMANN WILL CARRY.

Date: 3-3-99
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1401

Senate Senate Finance and Taxation Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Roll Pass

Motion Made By Sen. Christmann Seconded By Sen. Wardner

Senators	Yes	No	Senators	Yes	No
SENATOR URLACHER	✓				
SENATOR CHRISTMANN	✓				
SENATOR SCHOBINGER	✓				
SENATOR STENEHJEM	✓				
SENATOR WARDNER	✓				
SENATOR KINNOIN	✓				
SENATOR KROEPLIN	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen. Christmann

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 3, 1999 3:42 p.m.

Module No: SR-38-3973
Carrier: Christmann
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1401: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1401 was placed on the Fourteenth order on the calendar.

1999 TESTIMONY

HB 1401



SECRETARY OF STATE

STATE OF NORTH DAKOTA
600 EAST BOULEVARD AVENUE DEPT 108
BISMARCK ND 58505-0500

February 1, 1999

TO: Representative DeKrey and Members - House Judiciary Committee

FR: Al Jaeger, Secretary of State

RE: **HB 1401 – Charitable Solicitation**

Section 1 (page 1, lines 9 through 23, and page 2, lines 1 through 20) of the bill clarifies the definition of what it means to be a "Charitable Organization" and what the term does not include.

Section 1 (page 2, lines 21 through 31) clarifies the meaning of the word "Contribution."

Section 1 (page 3, lines 25 through 31, and page 4, lines 1 through 16) clarifies the meaning of the word "Solicitation."

Section 2 (page 4, lines 21 through 31, and page 5, lines 1 through 7) clarifies the information required on the application for a charitable solicitation license.

Section 3 (pages 5 and 6) clarifies the information required of professional fundraisers on their application for a license.

Section 4 (page 7, line 18) clarifies the annual report filing date.

Section 4 (page 8, lines 1 through 19) clarifies the information required on the annual report and what happens if the report is not filed in a timely manner.

Section 5 (page 8, line 24) removes an unnecessary word.

Section 6 (page 9, lines 1 through 4) clarifies the procedures when an application is denied or a license is revoked or has lapsed.

Section 6 (page 9, lines 15 through 17) provides for the imposition of civil penalties and denial of licensure or registration for a period of up to five years.

Section 7 (page 9) repeals 50-22-03 (copy attached) pertaining to the information required on a license application form. This section of law has remained unchanged since 1961. The provisions have been incorporated under Sections 2 and 3 of this bill to make them more applicable to the two different types of licenses (charitable solicitation and professional fundraiser) issued by the Secretary of State's office.

50-22-03. Application for license — Contents. The application for a license must contain the information concerning such solicitation, as required by this chapter, submitted on forms provided by the secretary of state. This information must be filed with the secretary of state and must be available to the public as a matter of public record. The forms containing such information must be sworn to and must include the following:

1. The name of the charitable organization for whom the solicitation is to be conducted.
2. The address thereof.
3. The purpose or purposes for which the contributions solicited are to be used.
4. The individual or officer who will have custody of the contributions.
5. The individuals responsible for the distribution thereof.
6. The period of time during which such solicitation is to be conducted.
7. A description of the method or methods of solicitation in such detail as may from time to time be determined by the secretary of state.
8. Whether such solicitation is to be conducted by voluntary unpaid solicitors, by paid solicitors, or both, and if in whole or in part by paid solicitors, the name and address of each professional fundraiser supplying such solicitors, the basis of payment, and the nature of the arrangement.
9. Such additional information as may be deemed necessary by the secretary of state for the proper administration of this chapter.

Source: S.L. 1961, ch. 307, § 1.



SECRETARY OF STATE

STATE OF NORTH DAKOTA
600 EAST BOULEVARD AVENUE DEPT 108
BISMARCK ND 58505-0500

March 2, 1999

TO: Senator Urlacher and Members – Senate Finance and Taxation Committee

FR: Al Jaeger, Secretary of State

RE: HB 1401 – Charitable Solicitation

Section 1 (page 1, lines 9 through 23, and page 2, lines 1 through 20) of the bill clarifies the definition of what it means to be a "Charitable Organization" and what the term does not include.

Section 1 (page 2, lines 21 through 31) clarifies the meaning of the word "Contribution."

Section 1 (page 3, lines 25 through 31, and page 4, lines 1 through 16) clarifies the meaning of the word "Solicitation."

Section 2 (page 4, lines 21 through 31, and page 5, lines 1 through 7) clarifies the information required on the application for a charitable solicitation license.

Section 3 (pages 5 and 6) clarifies the information required of professional fundraisers on their application for a license.

Section 4 (page 7, line 18) clarifies the annual report filing date.

Section 4 (page 8, lines 1 through 19) clarifies the information required on the annual report and what happens if the report is not filed in a timely manner.

Section 5 (page 8, line 24) removes an unnecessary word in this section (same word removed throughout various section of the bill).

Section 6 (page 9, lines 1 through 4) clarifies the procedures when an application is denied or a license is revoked or has lapsed.

Section 6 (page 9, lines 15 through 17) provides for the imposition of civil penalties and denial of licensure or registration for a period of up to five years.

Section 7 (page 9) repeals 50-22-03 (copy attached) pertaining to the information required on a license application form. This section of law has remained unchanged since 1961. The provisions have been incorporated under Sections 2 and 3 of this bill to make them more applicable to the two different types of licenses (charitable solicitation and professional fundraiser) issued by the Secretary of State's office.