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1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 850

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the regulation of charitable  
7 organizations and the solicitation of contributions  
8 for charitable purposes."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 10 is amended by adding a new chapter to read:

11 CHAPTER 50. CHARITABLE ORGANIZATIONS

12 AND SOLICITATION OF CONTRIBUTIONS.

13 Sec. 10.50.010. LEGISLATIVE FINDINGS: PURPOSE. The legislature  
14 finds and declares that charities perform valuable social services at a  
15 cost saving to the state, responsibilities that otherwise would have to  
16 be assumed by state government. Therefore, in the interest of protecting  
17 the public welfare, the state should ensure that money and other  
18 property collected in fund-raising campaigns are used solely for the  
19 charitable purposes promised during that campaign, to preclude the  
20 diversion of funds from necessary philanthropies for personal use or  
21 gain, and to make certain that full information concerning charities,  
22 their purposes, management and method of solicitation is made available  
23 to protect the public from the unscrupulous so that worthwhile chari-  
24 table organizations will thrive while those unworthy of public support  
25 will be exposed.

26 ARTICLE 1. CHARITABLE ORGANIZATIONS.

27 Sec. 10.50.020. REGISTRATION OF CHARITABLE ORGANIZATIONS. (a) A  
28 charitable organization, except those exempted by sec. 30 of this  
29 chapter, which intends to solicit contributions from persons in the

1 state shall, before solicitation, file with the department on forms  
2 prescribed by it the following information:

3 (1) the name of the organization and the name or names under  
4 which it intends to solicit contributions;

5 (2) the names and addresses of the officers, directors,  
6 trustees, and executive personnel of the organization;

7 (3) the addresses of the organization and the addresses of  
8 offices in this state; if the organization does not maintain an office,  
9 the name and address of the person having custody of its financial  
10 records;

11 (4) where and when the organization was legally established,  
12 the form of its organization and its tax exempt status;

13 (5) the purposes for which the organization is organized  
14 and the purposes for which the contributions to be solicited will be  
15 used;

16 (6) the date on which the fiscal year of the organization  
17 ends;

18 (7) whether the organization, or an officer, director,  
19 trustee, or executive personnel of the organization, or a professional  
20 fund raiser or solicitor who are acting or who have agreed to act on  
21 behalf of the organization, is or has been enjoined by a court from  
22 soliciting contributions;

23 (8) the names and addresses of professional fund raisers  
24 who are acting or have agreed to act on behalf of the organization;

25 (9) the remuneration, if any, paid officers, directors,  
26 trustees and executive personnel of the organization, and the remunera-  
27 tion paid professional fund raisers and solicitors and the method of  
28 payment;

29 (10) whether the charitable organization is authorized by a

1 governmental agency to solicit contributions and has complied with all  
2 local government ordinances or regulations governing the solicitation of  
3 contributions.

4 (b) The registration form shall be signed by the president or  
5 other authorized officer and the chief fiscal officer of the organization.

6 (c) For filing the registration, the department shall receive a  
7 fee of \$25, to be paid at the time of registration.

8 (d) The registration remains in effect for a period of two years  
9 from the date the registration is approved and a certificate of regis-  
10 tration is issued by the department unless it is either cancelled as  
11 provided in this chapter or withdrawn by the organization.

12 (e) A registered organization shall notify the department within  
13 10 days of a change in the information required to be furnished by the  
14 organization under (a)(1) - (9) of this section.

15 (f) No registration of a charitable organization may continue, or  
16 be continued, in effect after the date the organization should have  
17 filed, but failed to file, an annual report in accordance with the re-  
18 quirements of sec. 40 of this chapter, and the organization may not file  
19 a new registration until it has filed the required annual report with  
20 the department. If the report is subsequently filed, the organization  
21 may file a new registration upon the payment of a fee of \$25 to the  
22 department.

23 (g) Registration statements, financial reports, professional fund  
24 raisers' contracts, and other documents required to be filed under this  
25 chapter are public records in the department's office.

26 (h) The department may require by regulation that the officers  
27 or management of a charitable organization submit a business history or  
28 statement of financial condition of the organization.

29 (i) The department may require by regulation or order that a

1 charitable organization furnish additional information and, in accordance  
2 with AS 10.20.655 - 10.20.660, may propound those interrogatories rea-  
3 sonably necessary and proper to enable the department to ascertain  
4 whether the charitable organization has complied with the provisions of  
5 this chapter.

6 Sec. 10.50.030. EXEMPTIONS. The following persons are not re-  
7 quired to register with the department:

8 (1) an educational institution the curriculums of which in  
9 whole or in part are registered or approved by the Department of Educa-  
10 tion or the Alaska Commission on Postsecondary Education either directly  
11 or by acceptance of accreditation by an accrediting body recognized by  
12 the Department of Education or the Alaska Commission on Postsecondary  
13 Education, an educational institution confining its solicitation of  
14 contributions to its student body, alumni, faculty and trustees, and  
15 their families, or a library registered by the Department of Education  
16 if the annual financial report of the institution or library is filed  
17 with the Department of Education or the Alaska Commission on Post-  
18 secondary Education where it shall be open for public inspection;

19 (2) when solicitation of contributions is confined to their  
20 memberships

21 (A) religious corporations, organizations or charities,  
22 agencies or organizations operated, supervised or controlled by,  
23 or in connection with, a religious corporation or organization; or

24 (B) fraternal, patriotic, social, alumni or veterans'  
25 organizations and historical societies;

26 (3) a volunteer, non-profit, civic organization commonly  
27 known as a service club or association that does not employ profes-  
28 sional fund raisers or professional solicitors required to be registered  
29 under secs. 90 or 110 of this chapter;

1 (4) persons requesting a contribution for the relief of an  
2 individual, specified by name at the time of the solicitation, if all  
3 of the contributions collected, without deductions, are turned over to  
4 the named beneficiary;

5 (5) a charitable organization which does not intend to  
6 solicit and receive and does not actually receive contributions in excess  
7 of \$2,500 during a fiscal year of the organization if all of its fund-  
8 raising functions are carried on by persons who are unpaid for these  
9 services; however, if the gross contributions received by a charitable  
10 organization during a fiscal year of the organization exceed \$2,500, it  
11 shall within 30 days after the date it has received total contributions  
12 in excess of \$2,500 register with the department as required by  
13 sec. 20 of this chapter;

14 (6) a charitable organization receiving an allocation from  
15 an incorporated community chest or united fund if (A) the chest or  
16 fund is complying with the provisions of this chapter relating to  
17 registration and filing of annual reports with the department; and  
18 (B) the fund-raising functions of the organization are carried on by  
19 persons who are unpaid for these services; however, if the gross contri-  
20 butions other than the allocation received by the charitable organiza-  
21 tion during a fiscal year of the organization exceed \$2,500, it shall  
22 within 30 days after the date it has received the contributions in  
23 excess of \$2,500 register with the department as required by. sec. 20  
24 of this chapter.

25 Sec. 10.50.040. ANNUAL REPORTS. (a) A charitable organization  
26 registered under sec. 20 of this chapter that receives in a fiscal year  
27 of the organization contributions in excess of \$5,000 and a charitable  
28 organization whose fund-raising functions are not carried on solely by  
29 persons who are unpaid for these services shall file a written report

1 with the department on forms prescribed by it, within six months after  
2 the close of the fiscal year. The report shall include a financial  
3 statement covering the fiscal year, clearly setting out the gross  
4 income, expenses, and net income accruing to the benefit of the chari-  
5 table organization, a balance sheet as of the close of the fiscal year  
6 and a schedule of the activities carried on by the organization in the  
7 performance of its purposes, and the amounts expended for them, during  
8 the fiscal year. An organization shall report its expenditures in  
9 accordance with standards and classifications of accounts prescribed  
10 by the department to effect uniform reporting by organizations having  
11 similar activities and programs. The report shall also include a  
12 statement of changes in the information required to be contained in the  
13 registration form filed on behalf of the organization. The report  
14 shall be signed by the president or other authorized officer and the  
15 chief fiscal officer of the organization, and accompanied by an opinion  
16 signed by an independent public accountant that the financial statement  
17 and balance sheet fairly represent the financial operations and posi-  
18 tion of the organization.

19 (b) An organization registered under sec. 20 of this chapter  
20 which receives in a fiscal year of the organization contributions of  
21 \$5,000 or less and all of whose fund-raising functions are carried on  
22 by persons who are unpaid for these services shall file a written re-  
23 port with the department on forms prescribed by it, within six months  
24 after the close of the fiscal year, that shall include a financial  
25 statement covering the fiscal year limited to a statement of the organi-  
26 zation's gross receipts from contributions, fund-raising expenses  
27 including a separate statement of the cost of goods, services or  
28 admissions supplied as part of its solicitations, and the disposition  
29 of the net proceeds from contributions. The report also shall include

1 a statement of changes in the information required to be contained in  
2 the registration form filed on behalf of the organization. The report  
3 shall be signed by the president or other authorized officer and the  
4 chief fiscal officer who shall certify that the statements in the  
5 report are correct to the best of their knowledge.

6 (c) For a fiscal year of an organization registered under sec. 20  
7 of this chapter in which the organization would have been exempt under  
8 sec. 30 of this chapter if it had not been registered, or in which it  
9 did not solicit or receive contributions, the organization shall file,  
10 instead of the reports required by (a) or (b) of this section, a report  
11 in the form of an affidavit of its president and chief fiscal officer  
12 stating the exemption and the facts upon which it is based or that the  
13 organization did not solicit or receive contributions in the fiscal  
14 year. The affidavit also shall include a statement of changes in the  
15 information required to be contained in the registration form filed on  
16 behalf of the organization.

17 (d) A charitable organization registered under sec. 20 of this  
18 chapter, which is the parent organization of one or more chapters in  
19 the state, and its chapters may comply with the reporting requirements  
20 of (a), (b) or (c) of this section by filing a consolidated written  
21 report on forms prescribed by the department. As used in this section  
22 the term "chapter" means a branch, auxiliary, affiliate or other sub-  
23 ordinate unit of a registered charitable organization of whatever  
24 designation, whose policies, fund-raising activities and expenditures  
25 are supervised or controlled by the parent organization. There shall  
26 be appended to a consolidated report a schedule containing the informa-  
27 tion that may be prescribed by the department, reflecting the activities  
28 of a chapter. The schedule shall contain a certification, under penalty  
29 of perjury, by an official of the organization certifying that the

1 information contained in it is true. The failure of a parent organiza-  
2 tion to file an appropriate consolidated written report does not excuse  
3 either the parent organization or its chapters from complying with the  
4 provisions of (a), (b) or (c) of this section.

5 (e) The department shall cancel the registration of an organization  
6 which fails to comply with (a), (b) or (c) of this section within the  
7 time prescribed, or fails to furnish the additional information that is  
8 requested by the department within the required time. However, the  
9 department may extend the period of time in which the report required  
10 by this section or information requested by the department shall be  
11 filed. The extension of time may not exceed six months.

12 Sec. 10.50.045. PROHIBITED CONDUCT. It is unlawful for a  
13 charitable organization registered under sec. 20 of this chapter to

14 (1) have a cost of solicitation for direct gifts which  
15 exceeds 20 per cent of the total gross amount to be raised or to have  
16 a cost of a benefit affair which exceeds 55 per cent of the total gross  
17 amount to be raised; and of the 55 per cent, not more than 20 per cent  
18 may be paid for all wages, fees, commissions, salaries and emoluments  
19 paid to or to be paid to salesmen, professional fund raisers, or pro-  
20 fessional solicitors, unless the charitable organization is able to  
21 demonstrate to the satisfaction of the commissioner special reasons  
22 which make the higher cost reasonable in a particular case;

23 (2) use advertising material or a promotional plan that is  
24 false, misleading or deceptive.

25 Sec. 10.50.050. EXAMINATION OF BOOKS, RECORDS, DOCUMENTS. (a)  
26 The records, books and reports maintained by a charitable organization  
27 registered or required to register under sec. 20 of this chapter shall  
28 be available for inspection by the commissioner or the attorney general  
29 at the principal office of the organization.

1 (b) A charitable organization is subject to examination by the  
2 commissioner or the attorney general to ascertain the condition of its  
3 affairs and to what extent, if at all, it has failed to comply with  
4 trusts which it has assumed or has departed from the general purpose  
5 for which it is formed. In case of a failure or departure the attorney  
6 general on recommendation of the commissioner or on his own motion  
7 shall institute the proceedings necessary to correct the noncompliance  
8 or departure.

9 Sec. 10.50.060. INVESTIGATORY POWERS. If the commissioner has  
10 reason to believe that a charitable organization or person subject to  
11 the provisions of this chapter has engaged in an act which is in viola-  
12 tion of the provisions of this chapter, he may conduct an investigation  
13 to determine if the act has been committed and, to the extent necessary  
14 for this purpose, may administer oaths or affirmations and, upon  
15 his own motion or upon request of any party, he may subpoena witnesses,  
16 compel their attendance, adduce evidence, and require the production  
17 of any matter which is relevant to the investigation, including the  
18 existence, description, nature, custody, condition, and location of  
19 any books, documents, records or other tangible things, and the identity  
20 and location of persons having knowledge of relevant facts, or any  
21 other matter reasonably calculated to lead to the discovery of admissible  
22 evidence.

23 Sec. 10.50.065. ADMINISTRATIVE HEARINGS. An administrative  
24 hearing held under this chapter shall be conducted in accordance with  
25 the Administrative Procedure Act (AS 44.62).

26 Sec. 10.50.070. ENFORCEMENT. (a) In addition to any other  
27 action authorized by law, the attorney general on recommendation of the  
28 commissioner may bring an action in the superior court against a chari-  
29 table organization and any other persons acting for it or in its behalf

1 to enjoin the organization and persons from continuing the solicitation  
2 or collection of funds or property or engaging in them or doing acts  
3 in their furtherance, and to cancel the registration statement previ-  
4 ously filed with the department, when the attorney general believes it  
5 is in the public interest and that the charitable organization

6 (1) is operating in violation of the provisions of this  
7 chapter;

8 (2) has refused or failed, or its principal officers have  
9 refused or failed, after notice, to produce records of the organization;

10 (3) is employing or about to employ, or there is employed,  
11 or about to be employed, in the solicitation or collection of funds or  
12 other property for the organization, a device, scheme or artifice to  
13 defraud or for obtaining money or property by means of a false pretense,  
14 representation or promise;

15 (4) has made a material false statement in an application,  
16 registration or statement required to be filed under this chapter; or

17 (5) is soliciting funds by mail, or by any other means,  
18 where the solicitation includes the sending of goods, wares or merchan-  
19 dise not ordered or requested by the recipient.

20 (b) The activity described in (a)(1) - (5) of this section is a  
21 fraud on the people of the state.

22 (c) Upon a showing by the attorney general in an application for  
23 an injunction that a person engaged in the solicitation or collection  
24 of funds for charitable purposes, either as an individual or as a mem-  
25 ber of a partnership, or as an officer of a corporation or as an agent  
26 for some other person, or partnership or corporation, has been convicted  
27 in this state or elsewhere of a felony or of a misdemeanor involving  
28 the misappropriation, misapplication or misuse of the money or property  
29 of another, and who has not, subsequent to the conviction, received

1 executive pardon for the conviction or a certificate of good conduct  
2 or rehabilitation from the parole board, the superior court, after  
3 hearing, may enjoin the person from engaging in the solicitation or  
4 collection of funds for charitable purposes.

5 (d) The commissioner or the attorney general may exercise the  
6 authority granted in this section against a charitable organization  
7 which operates under the guise or pretense of being an organization  
8 exempted by the provisions of sec. 30 of this chapter and is not in  
9 fact an organization entitled to an exemption.

10 Sec. 10.50.080. NONRESIDENT CHARITABLE ORGANIZATIONS; SERVICE OF  
11 PROCESS. A charitable organization having its principal place of busi-  
12 ness outside the state or organized under the laws of a foreign state  
13 that solicits contributions from people in this state is considered to  
14 have irrevocably appointed the commissioner of commerce as its agent  
15 upon whom may be served summons, subpoena, subpoena duces tecum, or  
16 other process directed to the charitable organization, or a partner,  
17 principal officer or director in an action or proceeding brought by  
18 the attorney general under this chapter. A charitable organization may  
19 file with the commissioner a designation, in terms of complying with  
20 this section, duly acknowledged, irrevocably appointing the commis-  
21 sioner as its agent upon whom process may be served. However, a desig-  
22 nation filed with the commissioner under AS 10.05.057 or AS 10.20.046  
23 also is a sufficient designation for the purposes of this section.  
24 Service of process upon the commissioner shall be made by personally  
25 delivering to and leaving with him a copy of it at the department's  
26 office, and the service shall be sufficient service. However, notice  
27 of the service and a copy of the process immediately shall be sent by  
28 the commissioner to the charitable organization by certified mail,  
29 return receipt requested, at its office as set out in the registration

1 form required to be filed under sec. 20 of this chapter, or in default  
2 of the filing of the form, at the last address known to the commis-  
3 sioner. Service of process shall be complete upon the receipt by the  
4 commissioner of a return receipt purporting to be signed by the  
5 addressee or a person qualified to receive his or its certified mail,  
6 in accordance with the rules and customs of the United States Postal  
7 Service, or, if acceptance was refused by the addressee or his or its  
8 agent, 10 days after the return to the commissioner of the original  
9 envelope bearing a notation by the postal service that receipt of it  
10 was refused.

11 ARTICLE 2. PROFESSIONAL FUND RAISERS AND SOLICITORS.

12 Sec. 10.50.090. PROFESSIONAL FUND RAISERS. (a) No person may  
13 act as a professional fund raiser for a charitable organization re-  
14 quired to register under sec. 20 of this chapter before he has regis-  
15 tered with the department or after the expiration or cancellation of the  
16 registration or its renewal. Applications for registration and reregis-  
17 tration shall be in writing, under oath, in the form prescribed by the  
18 department and accompanied by an annual fee of \$50. The applicant at  
19 the time of making application shall file with, and have approved by,  
20 a bond in which the applicant is the principal obligor in the sum of  
21 \$5,000, with one or more sureties whose liability in the aggregate as  
22 sureties will equal at least that sum. The bond shall run to the  
23 commissioner for the use of the state and to pay a person who may have  
24 a cause of action against the obligor of the bond for malfeasance or  
25 misfeasance in the conduct of the solicitation. Registration or re-  
26 registration when effected shall be for a period of one year, or a  
27 part of it, expiring on March 31, and may be renewed by written appli-  
28 cation, under oath, on the form prescribed by the department and the  
29 filing of the bond and the fee prescribed in this section for additional

1 one-year periods. Applications for registration and reregistration and  
2 bonds, when filed with the department, are public records in the  
3 department's office.

4 (b) A professional fund raiser shall maintain accurate, current  
5 books and records of his activities while required to be registered  
6 under this section. Until at least three years have elapsed after the  
7 end of the effective period of the registration to which they relate,  
8 he shall keep the books and records in his office available for inspec-  
9 tion and examination by the commissioner or the attorney general.

10 (c) Wilful violation of the provisions of this section is a  
11 misdemeanor.

12 Sec. 10.50.100. CONTRACTS. Contracts entered into between pro-  
13 fessional fund raisers and charitable organizations shall be in writing  
14 and a copy of the contract filed by the professional fund raiser who  
15 is a party to it with the department within 10 days after it is made.  
16 Copies of these contracts shall be kept on file in the offices of the  
17 charitable organization and the professional fund raiser during their  
18 term and until the expiration of a period of three years subsequent  
19 to the date the solicitation of contributions provided for in the  
20 contract terminates. Wilful violation of this section is a misdemeanor.

21 Sec. 10.50.110. PROFESSIONAL SOLICITOR. No person may act as a  
22 professional solicitor in the employ of a professional fund raiser  
23 required to register under sec. 90 of this chapter before he has  
24 registered with the department or after the expiration or cancellation  
25 of the registration or its renewal. Application for registration or  
26 reregistration shall be in writing, under oath, on the form prescribed  
27 by the department and accompanied by a fee of \$10. The registration  
28 or reregistration when effected shall be for a period of one year, or  
29 part of it, expiring on March 31, and may be renewed by written appli-

1 cation, under oath, on the form prescribed by the department and the  
2 payment of the fee prescribed in this section for additional one-year  
3 periods. Applications for registration and reregistration, when filed  
4 with the department, are public records in the department's office.  
5 Wilful violation of the provisions of this section is a misdemeanor.

6 Sec. 10.50.120. ENFORCEMENT. When the commissioner believes  
7 that a professional fund raiser or professional solicitor is operating  
8 in violation of the provisions of this chapter, or has made a false  
9 statement in an application, registration or statement required to be  
10 filed under this chapter, or if a professional fund raiser has refused  
11 or failed, after notice, to produce a record demanded of him, or there  
12 is employed or is about to be employed in a solicitation or collection  
13 of contributions for a charitable organization a device, scheme or  
14 artifice to defraud or for obtaining money or property by means of a  
15 false pretense, representation or promise, in addition to any other  
16 action authorized by law, he may bring an action in the superior court  
17 against the professional fund raiser or professional solicitor, and  
18 other persons who have participated or are about to participate in a  
19 solicitation or collection by employing a device, scheme, artifice,  
20 false representation or promise, to enjoin the professional fund  
21 raiser or professional solicitor, or other person from continuing the  
22 solicitation or collection or engaging in or doing any acts in further-  
23 ance of it, or to cancel a registration statement previously filed with  
24 the department.

25 Sec. 10.50.130. NONRESIDENT PROFESSIONAL FUND RAISERS AND PROFES-  
26 SIONAL SOLICITORS; SERVICE OF PROCESS. A professional fund raiser or  
27 professional solicitor who has his or its principal place of business  
28 outside the state or is organized under the laws of a foreign state and  
29 who solicits contributions from people in this state is considered to

1 have irrevocably appointed the commissioner of commerce as his or its  
2 agent upon whom may be served any summons, subpoena, subpoena duces  
3 tecum, or other process directed to the professional fund raiser, pro-  
4 fessional solicitor or any partner, principal officer, or director of  
5 it, in an action or proceeding brought by the attorney general under  
6 this chapter. A professional fund raiser or professional solicitor may  
7 file with the commissioner a designation, in terms of complying with  
8 this section, duly acknowledged, irrevocably appointing the commis-  
9 sioner as its agent upon whom process may be served. However, a desig-  
10 nation filed with the commissioner under AS 10.05.057 or AS 10.20.046  
11 also is a sufficient designation for the purposes of this section. Ser-  
12 vice of process upon the commissioner shall be made personally by  
13 delivering to and leaving with him a copy of it at the department's  
14 office, and the service shall be sufficient service. However, notice  
15 of the service and a copy of the process immediately shall be sent by  
16 the commissioner to the professional fund raiser or professional solici-  
17 tor by certified mail, return receipt requested, at his or its office  
18 as set out in the registration form required to be filed under secs.  
19 90 and 110 of this chapter, or in default of the filing of the form,  
20 at the last address known to the commissioner. Service of process shall  
21 be complete 10 days after the receipt by the commissioner of a return  
22 receipt purporting to be signed by the addressee or a person qualified  
23 to receive his or its certified mail, in accordance with the rules and  
24 customs of the United States Postal Service, or, if acceptance was  
25 refused by the addressee or his or its agent, 10 days after the return  
26 to the commissioner of the original envelope bearing a notation by the  
27 postal service that receipt of it was refused.

28 ARTICLE 3. MISCELLANEOUS.

29 Sec. 10.50.140. UNAUTHORIZED USE OF NAMES. (a) No person may,

1 for the purpose of soliciting contributions from persons in this state,  
2 use the name of any person, except that of an officer, director or  
3 trustee of the charitable organization by or for which contributions  
4 are solicited, without the written consent of that other person.

5 (b) A person shall be considered to have used the name of another  
6 person for the purpose of soliciting contributions if the latter per-  
7 son's name is listed on stationery, in an advertisement, a brochure or  
8 in correspondence in or by which a contribution is solicited by or on  
9 behalf of a charitable organization or his name is listed or referred  
10 to in connection with a request for a contribution as one who has con-  
11 tributed to, sponsored or endorsed the charitable organization or its  
12 activities.

13 (c) Nothing contained in this section prevents the publication of  
14 names of contributors without their written consents in an annual or  
15 other periodic report issued by a charitable organization for the  
16 purpose of reporting on its operations and affairs to its membership  
17 or for the purpose of reporting contributions to contributors.

18 (d) Violation of this section is a misdemeanor.

19 Sec. 10.50.150. SOLICITATION BY UNREGISTERED CHARITABLE ORGANIZA-  
20 TIONS OR UNREGISTERED PROFESSIONAL FUND RAISERS. (a) No charitable  
21 organization required to be registered under this chapter may employ a  
22 professional fund raiser required to be registered under this chapter  
23 unless the fund raiser is registered.

24 (b) No professional fund raiser required to be registered under  
25 this chapter may enter into a contract or raise funds for an organiza-  
26 tion required to be registered under this chapter unless the charitable  
27 organization is registered.

28 (c) No professional fund raiser required to be registered under  
29 this chapter may employ a professional solicitor who is not registered

1 under this chapter.

2 (d) In addition to other remedies provided by law the commissioner  
3 may bring an action to enjoin the violation of the provisions of this  
4 section. The commissioner shall give notice of at least 15 days in  
5 writing by certified mail to the organization, person or persons  
6 violating the provisions of this chapter, requiring that registration be  
7 accomplished or that the solicitation of funds be terminated immediately.  
8 Failure to discontinue solicitation immediately or to register under  
9 this chapter within 15 days of service of this notice is a continuing  
10 fraud upon the people of this state.

11 Sec. 10.50.160. ADVISORY COUNCIL. The commissioner may appoint  
12 an advisory council of not less than five nor more than ten persons to  
13 advise him and make recommendations with respect to the operation and  
14 administration of this chapter with the objective of assuring maximum  
15 compliance by charitable organizations with the provisions of this  
16 chapter. The commissioner shall designate the chairman of the advisory  
17 council and fix the terms of its members. The members serve without  
18 compensation but are entitled to per diem and travel expenses as may be  
19 authorized by law.

20 Sec. 10.50.170. ADMINISTRATIVE REGULATIONS. The commissioner shall  
21 promulgate under the Administrative Procedure Act (AS 44.62) those  
22 regulations he considers necessary for the effective administration of  
23 this chapter.

24 Sec. 10.50.180. EXCHANGE OF INFORMATION, RECIPROCAL AGREEMENTS.  
25 The commissioner with the approval of the attorney general may enter  
26 into reciprocal agreements with a like authority in another state or  
27 states to exchange information made available to the department under  
28 this chapter. Under these agreements the commissioner may accept infor-  
29 mation filed by a charitable organization, professional fund raiser or

1 professional solicitor, with another state in lieu of the information  
2 required to be filed by a charitable organization, professional fund  
3 raiser or professional solicitor under secs. 20, 90 and 110 of this  
4 chapter, if the information is substantially similar to the information  
5 required to be filed under those sections.

6 Sec. 10.50.190. CONSTRUCTION. This chapter shall operate prospec-  
7 tively and shall be liberally construed to meet its objectives, and the  
8 attorney general has all the powers necessary to carry out the purposes  
9 of this chapter.

10 Sec. 10.50.200. DEFINITIONS. In this chapter

11 (1) "benefit affair" means a function or event which the  
12 public is requested to patronize, or to which the public is requested to  
13 contribute, for the charitable purpose that the function or event is  
14 supporting including but not limited to a sale, auction, bazaar, circus,  
15 exhibition, fair, dance, or performance;

16 (2) "charitable organization" means any benevolent, philan-  
17 thropic, or eleemosynary person or one purporting to be the same;

18 (3) "commissioner" means the commissioner of commerce;

19 (4) "contribution" means the promise or grant of money or  
20 property of any kind or value, including a grant or other financial  
21 assistance from an agency of government, except payments by members of  
22 an organization for membership fees, dues, fines, or assessments, or for  
23 services rendered to individual members, if membership in the organiza-  
24 tion confers a bona fide right, privilege, professional standing, honor  
25 or other direct benefit, other than the right to vote, elect officers,  
26 or hold office;

27 (5) "department" means the Department of Commerce;

28 (6) "professional fund raiser" means a person who for compen-  
29 sation or other consideration plans, conducts, manages, or carries on a

1 drive or campaign in this state for the purpose of soliciting contribu-  
2 tions for or on behalf of a charitable organization or other person, or  
3 who engages in the business of, or holds himself out to persons in this  
4 state as independently engaged in the business of soliciting contribu-  
5 tions for that purpose; a bona fide officer or employee of a charitable  
6 organization is not considered a professional fund raiser;

7 (7) "professional solicitor" means a person who is employed  
8 or retained for compensation by a professional fund raiser to solicit  
9 contributions for charitable purposes from persons in this state.

10 Sec. 10.50.210. SHORT TITLE. This chapter shall be known and  
11 may be cited as the Alaska Charitable Organization and Solicitations  
12 Act.  
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