

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 14-0766.01 Christy Chase x2008

HOUSE BILL 14-1206

HOUSE SPONSORSHIP

Conti,

SENATE SPONSORSHIP

Ulibarri,

House Committees
State, Veterans, & Military Affairs

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING MODIFICATIONS TO THE "COLORADO CHARITABLE**
102 **SOLICITATIONS ACT", AND, IN CONNECTION THEREWITH,**
103 **PROHIBITING CERTAIN CHARITABLE SOLICITATION PRACTICES,**
104 **MODIFYING THE SECRETARY OF STATE'S FINING AUTHORITY,**
105 **ADJUSTING REGISTRATION STATEMENT REQUIREMENTS, AND**
106 **SPECIFYING REQUIREMENTS FOR APPOINTING REGISTERED**
107 **AGENTS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
3rd Reading Unamended
March 4, 2014

HOUSE
Amended 2nd Reading
March 3, 2014

[http://www.leg.state.co.us/bills/summaries.](http://www.leg.state.co.us/bills/summaries/))

The bill amends the "Colorado Charitable Solicitations Act" (act) as follows:

- ! Modifies the required content of charitable organization registration statements to eliminate unnecessary content;
- ! Prohibits a charitable organization from aiding, abetting, or permitting a person to solicit contributions on its behalf unless the solicitor has complied with the requirements of the act;
- ! Requires registered individuals and organizations to appoint a registered agent to receive notices, process, and other materials for the individual or organization; and
- ! Modifies the fines that may be imposed for failing to timely file required documents with the secretary of state.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 6-16-104, **amend** (2)
3 (c), (9), and (10) as follows:

4 **6-16-104. Charitable organizations - initial registration -**
5 **annual filing - fees.** (2) The registration statement must be signed and
6 sworn to under oath by an officer of the charitable organization, which
7 may include its chief fiscal officer, and must contain the following
8 information:

9 (c) The names and ~~addresses~~ TITLES of the officers, directors,
10 trustees, and executive personnel of the charitable organization;

11 (9) No charitable organization that is required to register under
12 this ~~chapter~~ ARTICLE shall:

13 (a) Prior to registration, solicit contributions in this state by any
14 means, have contributions solicited in this state on its behalf by any other
15 person or entity, or participate in a charitable sales promotion; OR

16 (b) AID, ABET, OR OTHERWISE PERMIT ANY PAID SOLICITOR TO
17 SOLICIT CONTRIBUTIONS ON ITS BEHALF IN THIS STATE UNLESS THE PAID

1 SOLICITOR SOLICITING CONTRIBUTIONS HAS COMPLIED WITH THE
2 REQUIREMENTS OF THIS ARTICLE.

3 (10) All information filed pursuant to this section, except for
4 residential addresses and telephone numbers of individuals, ACCOUNT
5 NUMBERS AT BANKS OR OTHER FINANCIAL INSTITUTIONS, and schedules of
6 contributors listed on the federal form 990 or its equivalent, ~~shall be~~
7 ~~considered~~ IS A public records RECORD for purposes of the public records
8 law, part 2 of article 72 of title 24, C.R.S.

9 **SECTION 2.** In Colorado Revised Statutes, 6-16-104.3, **amend**
10 (11) as follows:

11 **6-16-104.3. Professional fundraising consultants - annual**
12 **registration - fees.** (11) All Information filed pursuant to this section,
13 except for residential addresses and telephone numbers of individuals
14 ~~shall be considered~~ AND ACCOUNT NUMBERS AT BANKS OR OTHER
15 FINANCIAL INSTITUTIONS, IS A public records RECORD for purposes of the
16 public records law, part 2 of article 72 of title 24, C.R.S.

17 **SECTION 3.** In Colorado Revised Statutes, 6-16-104.6, **amend**
18 (11) as follows:

19 **6-16-104.6. Paid solicitors - annual registration - filing of**
20 **contracts - fees.** (11) All Information filed pursuant to this section,
21 except for residential addresses and telephone numbers of individuals
22 ~~shall be considered~~ AND ACCOUNT NUMBERS AT BANKS OR OTHER
23 FINANCIAL INSTITUTIONS, IS A public records RECORD for purposes of the
24 public records law, part 2 of article 72 of title 24, C.R.S.

25 **SECTION 4.** In Colorado Revised Statutes, 6-16-105, **amend** (1)
26 introductory portion and (1) (h) as follows:

27 **6-16-105. Written confirmation of contribution - disclosures.**

1 (1) A paid solicitor who makes an oral solicitation by telephone,
2 door-to-door, or otherwise ~~shall~~ MUST furnish to each contributor, prior
3 to collecting or attempting to collect any contribution, a written
4 confirmation of the expected contribution, which confirmation shall
5 contain the following information clearly and conspicuously:

6 (h) A statement that Colorado residents may obtain copies of
7 registration and financial documents from the office of the secretary of
8 state, with ~~a current telephone number and~~ THE web site address for
9 obtaining such documents from the secretary of state.

10 **SECTION 5.** In Colorado Revised Statutes, 6-16-110.5, **amend**
11 (3) introductory portion and (3) (e) as follows:

12 **6-16-110.5. Secretary of state - dissemination of information**
13 **- cooperation with other agencies - rules.** (3) The secretary of state ~~shall~~
14 ~~have the authority to~~ MAY promulgate rules as needed for the effective
15 implementation of this ~~section~~ ARTICLE, including: ~~but not limited to:~~

16 (e) Setting fines for noncompliance with this article or rules
17 promulgated pursuant to this article. ~~The fine for soliciting while~~
18 ~~unregistered shall not exceed three hundred dollars per year for charities~~
19 ~~or one thousand dollars per year for paid solicitors.~~

20 **SECTION 6.** In Colorado Revised Statutes, **amend** 6-16-112 as
21 follows:

22 **6-16-112. Registered agents - service of process.** (1) ANY
23 PERSON REQUIRED UNDER THIS ARTICLE TO REGISTER WITH THE
24 SECRETARY OF STATE SHALL APPOINT AND CONTINUOUSLY MAINTAIN A
25 REGISTERED AGENT WHO SATISFIES THE REQUIREMENTS OF SECTION
26 7-90-701 (1), C.R.S. A REGISTRATION DOCUMENT FILED IN ACCORDANCE
27 WITH THIS ARTICLE THAT CONTAINS THE NAME AND ADDRESS OF THE

1 PERSON'S REGISTERED AGENT MUST ALSO INCLUDE A STATEMENT BY THE
2 PERSON FILING THE DOCUMENT THAT THE REGISTERED AGENT CONSENTS
3 TO THE APPOINTMENT. THE SECRETARY OF STATE SHALL SEND ANY
4 NOTICES REQUIRED UNDER THIS ARTICLE TO THE REGISTERED AGENT OF
5 THE REGISTERED PERSON.

6 (2) A REGISTERED AGENT OF A PERSON REGISTERED UNDER THIS
7 ARTICLE IS:

8 (a) AUTHORIZED TO RECEIVE SERVICE OF ANY PROCESS, NOTICE,
9 OR DEMAND REQUIRED OR PERMITTED BY LAW TO BE SERVED ON THE
10 PERSON; AND

11 (b) THE PERSON TO WHOM THE SECRETARY OF STATE MAY DELIVER
12 ANY FORM, NOTICE, OR OTHER DOCUMENT UNDER THIS ARTICLE
13 PERTAINING TO THE PERSON REGISTERED UNDER THIS ARTICLE.

14 (3) Any foreign corporation performing ~~any of the acts~~ AN ACT
15 prohibited under this article through ~~any salesman~~ A SALESPERSON or
16 agent is subject to service of process either upon the registered agent
17 specified by ~~said~~ THE corporation or upon the corporation itself if ~~no~~
18 ~~agent is maintained pursuant to part 7 of article 90 of title 7, C.R.S.~~ THE
19 CORPORATION FAILS TO MAINTAIN A REGISTERED AGENT AS REQUIRED BY
20 THIS ARTICLE. Service of process upon any individual outside this state
21 based upon any action arising out of matters prohibited by this article
22 ~~shall~~ MUST be EFFECTED pursuant to section 13-1-125, C.R.S.

23 **SECTION 7.** In Colorado Revised Statutes, **amend** 6-16-114 as
24 follows:

25 **6-16-114. Fines - required notification - rules.** (1) (a) Any
26 charitable organization, professional fundraising consultant, or paid
27 solicitor who, after sufficient notification by the secretary of state, fails

1 to properly register, renew a registration, ~~file a solicitation notice~~, or file
2 a financial report of a solicitation campaign under this article by the end
3 of the seventh day following the issuance of the final notice, is liable for
4 a fine ~~or late filing fee~~ in an amount to be established by rule promulgated
5 by the secretary of state.

6 (b) THE SECRETARY OF STATE PROVIDES SUFFICIENT NOTIFICATION
7 UNDER THIS SECTION IF THE SECRETARY GIVES AT LEAST TWO NOTICES TO
8 THE ORGANIZATION AND REGISTERED AGENT OF THE CHARITABLE
9 ORGANIZATION, PROFESSIONAL FUNDRAISING CONSULTANT, OR PAID
10 SOLICITOR.

11 (c) The ~~late fee~~ FINE for filing a registration renewal ~~solicitation~~
12 ~~notice~~, or solicitation campaign financial report late ~~shall~~ MUST not
13 exceed one hundred dollars per year for charities or two hundred dollars
14 per year for paid solicitors. ~~Sufficient notification consists of at least two~~
15 ~~notices given to the organization and registered agent of the charitable~~
16 ~~organization, professional fund-raising consultant, or paid solicitor.~~

17 (d) THE FINE FOR SOLICITING BEFORE REGISTERING MUST NOT
18 EXCEED THREE HUNDRED DOLLARS PER YEAR FOR A CHARITABLE
19 ORGANIZATION OR ONE THOUSAND DOLLARS PER YEAR FOR PAID
20 SOLICITORS.

21 (2) IF A PAID SOLICITOR FAILS TO FILE A SOLICITATION NOTICE AT
22 LEAST FIFTEEN DAYS BEFORE COMMENCING A SOLICITATION CAMPAIGN,
23 THE SECRETARY OF STATE SHALL ASSESS AGAINST THE PAID SOLICITOR, AT
24 THE TIME THE PAID SOLICITOR FILES THE SOLICITATION NOTICE, A FINE IN
25 AN AMOUNT ESTABLISHED IN RULES PROMULGATED BY THE SECRETARY OF
26 STATE.

27 (3) ~~The A fine or late filing fee~~ IMPOSED UNDER THIS SECTION is

1 in addition to any other filing fee provided by this article.

2 **SECTION 8. Act subject to petition - effective date.** This act
3 takes effect at 12:01 a.m. on the day following the expiration of the
4 ninety-day period after final adjournment of the general assembly (August
5 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a
6 referendum petition is filed pursuant to section 1 (3) of article V of the
7 state constitution against this act or an item, section, or part of this act
8 within such period, then the act, item, section, or part will not take effect
9 unless approved by the people at the general election to be held in
10 November 2014 and, in such case, will take effect on the date of the
11 official declaration of the vote thereon by the governor.