~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

March 11, 2013

**H. 3091**

Introduced by Reps. Henderson, Huggins and Ballentine

S. Printed 3/11/13--H.

Read the first time January 8, 2013.

**THE COMMITTEE ON EDUCATION AND PUBLIC WORKS**

To whom was referred a Bill (H. 3091) to amend Section 33‑56‑55, Code of Laws of South Carolina, 1976, relating to parent‑teacher associations and local chambers of commerce being exempt from, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, and if amended, by striking all after the enacting words and inserting:

/ SECTION 1. Section 33‑56‑50 of the 1976 Code, as last amended by Act 69 of 2007, is further amended to read:

“Section 33‑56‑50. (A) The following are not required to file registration statements with the Secretary of State if their fundraising activities are not conducted by professional solicitors, professional fundraising counsel, or commercial co‑venturers: (1) an educational institution which solicits contributions from only its students and their families, alumni, faculty, friends, and other constituencies, trustees, corporations, foundations, and individuals who are interested in and supportive of the programs of the institution;

(2) a person requesting contributions for the relief of an individual specified by name at the time of the solicitation when all of the contributions collected, without deductions of any kind, are turned over to the named beneficiary for his use, as long as the person soliciting the contributions is not a named beneficiary;

(3) a charitable organization which (a) does not intend to solicit or receive contributions from the public in excess of twenty thousand dollars in a calendar year and (b) has received a letter of tax exemption from the Internal Revenue Service, if all functions, including fundraising activities, of the organization exempted pursuant to this item are conducted by persons who are compensated no more than five hundred dollars in a year for their services and no part of their assets or income inures to the benefit of or is paid to an officer or a member. If the contributions raised from the public, whether or not the contributions are actually received by a charitable organization during any calendar year, are in excess of these amounts, within thirty days after the date the contributions exceed these amounts, the organization ~~must~~ shall register with and report to the Secretary of State as required by this chapter;

(4) an organization which solicits exclusively from its membership, including a utility cooperative;

(5) a veterans’ organization which has a congressional charter; and

(6) the State, its political subdivisions, and an agency or a department of the State which are subject to the disclosure provisions of the Freedom of Information Act.

(B) ~~A charitable organization that does not intend to solicit or receive contributions from the public in excess of seven thousand five hundred dollars during a calendar year is not required to file registration statements with the Secretary of State without regard to the fact that their fundraising activities are or are not conducted by professional solicitors, professional fundraising counsel, or commercial co‑venturers.~~ The following are not required to file registration statements with the Secretary of State regardless of whether or not their fundraising activities are conducted by professional solicitors, professional fundraising counsel, or commercial co‑venturers:

(1) a public school district located in this State and any K‑12 or pre‑kindergarten public school located within the public school district. For purposes of this chapter, the term ‘public school’ includes any student organization within the school that does not maintain separate financial accounts or a separate Federal Employer’s Identification Number (EIN) from the school and whose fundraising revenues are deposited in the school’s student activity fund; and

(2) a charitable organization that does not intend to solicit or receive contributions from the public in excess of seven thousand five hundred dollars during a calendar year. If the contributions raised from the public, whether or not the contributions are actually received by a charitable organization during any calendar year, are in excess of these amounts, the organization shall register with and report to the Secretary of State as required by this chapter within thirty days after the date the contributions exceed these amounts.

(C) A charitable organization claiming to be exempt from the registration provisions of this chapter and which solicits charitable contributions ~~must~~ shall submit annually to the Secretary of State, on forms prescribed by the Secretary of State, the name, address, and purpose of the organization and a statement setting forth the reason for the claim for exemption. If appropriate, the Secretary of State or his appropriate division shall issue a letter of exemption that may be exhibited to the public. A filing fee is not required of an exempt organization.

(D) A professional solicitor, professional fundraising counsel, or commercial co‑venturer conducting fundraising activities on behalf of an exempt organization shall comply with the registration and filing requirements of this chapter.”

SECTION 2. This act takes effect upon approval by the Governor. /

Renumber sections to conform.

Amend title to conform.

PHILLIP D. OWENS for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

A Cost of Federal and/or Other Funds (See Below)

**EXPLANATION OF IMPACT:**

Secretary of State’s Office

The office reports enactment of this bill would create an estimated total recurring cost of $247,400 and $50,000 non-recurring cost to the general fund. General funds would be needed to replace reductions in other funds of $177,400 as a result of lowering the maximum fine charged for delinquent annual financial reports and an estimated $70,000 (based on FY 2012 collections) of fine revenue that is remitted to the general fund. An additional reduction of other funds from fee revenue of $4,250 would be the result of exempting 85 school districts from filing registration statements.

**SPECIAL NOTES:**

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this bill.

*Approved By:*

Brenda Hart

Office of State Budget

**A** **BILL**

TO AMEND SECTION 33‑56‑55, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO PARENT‑TEACHER ASSOCIATIONS AND LOCAL CHAMBERS OF COMMERCE BEING EXEMPT FROM THE PROVISIONS OF THE SOLICITATION OF CHARITABLE FUNDS ACT UNDER CERTAIN CONDITIONS, SO AS TO PROVIDE THAT THESE PROVISIONS ALSO DO NOT APPLY TO AN ATHLETIC, BAND, OR OTHER EXTRACURRICULAR ACTIVITY BOOSTER CLUB OR ORGANIZATION AFFILIATED WITH A K‑12 SCHOOL IF THE ORGANIZATION IS A 501(c)(3) TAX‑EXEMPT ENTITY PROPERTY FILING ALL FEDERAL AND STATE REPORTING FORMS REQUIRED OF THESE ORGANIZATIONS, INCLUDING FORM 990.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 33‑56‑55 of the 1976 Code is amended to read:

“Section 33‑56‑55. The provisions of this chapter do not apply to a parent‑teacher association affiliated with a school or to a local chamber of commerce. The provisions of this chapter also do not apply to athletic, band, or other extracurricular activity booster club or organization affiliated with a K‑12 school if the organization is a 501(c)(3) tax‑exempt entity property filing all federal and state reporting forms required of these organizations, including form 990. Reporting of fundraising activities or other reporting pursuant to this chapter is not required of a parent‑teacher association, ~~or~~ a local chamber of commerce, or an extracurricular activity booster club or organization whether or not they would be considered exempt organizations under Section 33‑56‑50, if none of the fundraising activities are conducted by professional solicitors.”

SECTION 2. This act takes effect upon approval by the Governor.

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