**A** **BILL**

TO AMEND SECTIONS 33‑56‑20, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITIONS FOR PURPOSES OF THE SOLICITATION OF CHARITABLE FUNDS ACT, 33‑56‑30, AS AMENDED, RELATING TO REGISTRATION STATEMENTS OF A CHARITABLE ORGANIZATION, AND 33‑56‑50, AS AMENDED, RELATING TO EXEMPTIONS FROM REGISTRATION AS A CHARITABLE ORGANIZATION, ALL SO AS TO REQUIRE THAT AT LEAST EIGHTY PERCENT OF THE GROSS RECEIPTS FROM CONTRIBUTIONS A CHARITABLE ORGANIZATION SOLICITS IN THIS STATE BE USED DIRECTLY FOR THE STATED CHARITABLE PURPOSE OF THE ORGANIZATION AND TO INCLUDE COMMUNICATION AND ADVOCACY AS PART OF THE DEFINED CHARITABLE PURPOSE.

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

SECTION 1. The General Assembly finds that:

(1) the State has a substantial governmental interest in the protection of its citizens from fraud and disruption of privacy arising from, among other things, the unregulated solicitation of funds for charitable purposes; and

(2) it is reasonable to institute minimal restrictions on the solicitation of charitable funds specifically to address the narrow purpose of protection from fraud and disruption of privacy.

SECTION 2. Section 33‑56‑20(2) of the 1976 Code is amended to read:

“(2) ‘Charitable purpose’ means a purpose described in Section 501(c)(3) of the Internal Revenue Code or a benevolent, social welfare, scientific, educational, environmental, philanthropic, humane, patriotic, public health, civic, or other eleemosynary objective, including an objective of an organization of law enforcement personnel, firefighters, or other persons who protect the public safety if a stated purpose of the solicitations includes a benefit to a person outside the actual service membership of the organization. For purposes of this chapter, charitable purpose contemplates the requirement that at least eighty percent of the gross contributions solicited by the organization in this State be used by the organization to fund that purpose. Charitable purpose includes, without limitation, the gathering and communication of information, the dissemination and propagation of views and ideas, and the advocacy of causes relative to the stated organizational purpose.”

SECTION 3. Section 33‑56‑30(B)(9) of the 1976 Code is amended to read:

“(9) ~~the general purpose for which the solicited contributions are to be used~~ an express undertaking that at least eighty percent of its gross receipts from contributions solicited in this State go directly to use for its charitable purpose as defined in Section 33‑56‑20(2);”

SECTION 4. Section 33‑56‑50(C) of the 1976 Code, as last amended by Act 69 of 2007, is further amended to read:

“(C) A charitable organization claiming ~~to be exempt~~ an exemption from the registration provisions of this chapter and ~~which solicits~~ soliciting charitable contributions in this State must 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, and an express undertaking that at least eighty percent of its gross receipts from contributions solicited in this State go directly to use for its charitable purpose as defined in Section 33‑56‑20(2). 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.”

SECTION 5. This act takes effect upon approval by the Governor.

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