
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1150 Session of
1999

INTRODUCED BY FLICK, MASLAND, SEYFERT, ARGALL, ARMSTRONG, BARD,
BELFANTI, CLARK, COLAFELLA, COY, DALEY, FREEMAN, GODSHALL,
HENNESSEY, HERMAN, HERSHEY, HUTCHINSON, KAISER, LAUGHLIN,
LYNCH, MAHER, MELIO, R. MILLER, PESCI, RAMOS, READSHAW,
SATHER, STABACK, STERN, STEVENSON, E. Z. TAYLOR, THOMAS,
TRELLO, VAN HORNE, WILT AND ZIMMERMAN, MARCH 30, 1999

AS AMENDED ON THIRD CONSIDERATION, IN SENATE, NOVEMBER 21, 2000

AN ACT

1 Amending the act of December 19, 1990 (P.L.1200, No.202),
2 entitled "An act providing for the registration and
3 regulation of solicitations by charitable organizations,
4 professional fundraisers and other solicitors; imposing
5 additional powers on the Department of State and the Office
6 of Attorney General; prescribing civil and criminal
7 penalties; and making a repeal," further providing for
8 reports by charitable organizations AND FOR EXEMPTIONS FROM ←
9 REGISTRATION.

10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 Section 1. Section 5(f) of the act of December 19, 1990
13 (P.L.1200, No.202), known as the Solicitation of Funds for
14 Charitable Purposes Act, is amended to read:

15 Section 5. Registration of charitable organizations; financial
16 reports; fees; failure to file.

17 * * *

18 (f) Audit of certain financial reports.--The financial
19 report of every charitable organization which [received]

1 receives annual contributions [in excess of \$100,000] of
2 \$125,000 or more shall be audited by an independent certified
3 public accountant or public accountant. Except for the
4 charitable organizations described in section 6(a)(3), [the
5 financial report of] every charitable organization which
6 receives annual contributions [in excess] of at least [\$25,000]
7 \$50,000, but less than [\$100,000] \$125,000, shall be [reviewed
8 or audited] required to have a review or audit of their
9 financial statements performed by an independent certified
10 public accountant or public accountant. An audit or review is
11 optional for any charitable organization which receives annual
12 contributions of less than [\$25,000] \$50,000 or for any
13 charitable organization described in section 6(a)(3) which
14 receives annual contributions of less than [\$100,000] \$125,000.
15 Audits shall be performed in accordance with the [Statement]
16 Statements on Auditing Standards of the American Institute of
17 Certified Public Accountants [and], whereas reviews shall be
18 performed in accordance with the [Statement] Statements on
19 Standards for Accounting and Review Services of the American
20 Institute of Certified Public Accountants.

21 * * *

22 SECTION 2. SECTION 6 OF THE ACT, AMENDED JULY 9, 1992
23 (P.L.436, NO.92), IS AMENDED TO READ:

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24 SECTION 6. EXEMPTIONS FROM REGISTRATION.

25 (A) GENERAL RULE.--THE FOLLOWING CHARITABLE ORGANIZATIONS
26 SHALL BE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THIS ACT:

27 (1) EDUCATIONAL INSTITUTIONS, THE CURRICULA OF WHICH IN
28 WHOLE OR IN PART ARE REGISTERED WITH OR APPROVED BY THE
29 DEPARTMENT OF EDUCATION, EITHER DIRECTLY OR BY ACCEPTANCE OF
30 ACCREDITATION BY AN ACCREDITING BODY RECOGNIZED BY THE

1 DEPARTMENT OF EDUCATION, AND ANY AUXILIARY ASSOCIATIONS,
2 FOUNDATIONS AND SUPPORT GROUPS WHICH ARE DIRECTLY RESPONSIBLE
3 TO EDUCATIONAL INSTITUTIONS.

4 (2) HOSPITALS WHICH ARE SUBJECT TO REGULATION BY THE
5 DEPARTMENT OF HEALTH OR THE DEPARTMENT OF PUBLIC WELFARE AND
6 THE HOSPITAL FOUNDATION, IF ANY, WHICH IS AN INTEGRAL PART
7 THEREOF.

8 (3) A LOCAL POST, CAMP, CHAPTER OR SIMILARLY DESIGNATED
9 ELEMENT OR A COUNTY UNIT OF SUCH ELEMENTS OF:

10 (I) ANY VETERANS' ORGANIZATION CHARTERED UNDER
11 FEDERAL LAW AND ANY SERVICE FOUNDATION RECOGNIZED IN THE
12 BYLAWS OF SUCH ORGANIZATION;

13 [(II) A BONA FIDE ORGANIZATION OF VOLUNTEER FIREMEN;

14 (III) A BONA FIDE AMBULANCE ASSOCIATION;

15 (IV) A BONA FIDE RESCUE SQUAD ASSOCIATION;] OR

16 (V) A BONA FIDE AUXILIARY OR AFFILIATE OF ANY
17 ORGANIZATION OR ASSOCIATION UNDER SUBPARAGRAPH (I)[,

18 (II), (III) OR (IV)];

19 PROVIDED THAT ALL FUNDRAISING ACTIVITIES OF AN ORGANIZATION
20 OR ASSOCIATION UNDER SUBPARAGRAPH (I)[, (II), (III), (IV)] OR
21 (V) ARE CARRIED ON BY VOLUNTEERS, MEMBERS OR AN AUXILIARY OR
22 AFFILIATE THEREOF, AND THOSE VOLUNTEERS, MEMBERS OR
23 AFFILIATES RECEIVE NO COMPENSATION DIRECTLY OR INDIRECTLY FOR
24 THE FUNDRAISING ACTIVITIES.

25 (4) PUBLIC NONPROFIT LIBRARY ORGANIZATIONS WHICH RECEIVE
26 FINANCIAL AID FROM STATE AND MUNICIPAL GOVERNMENTS AND FILE
27 AN ANNUAL FISCAL REPORT WITH THE STATE LIBRARY SYSTEM.

28 (5) SENIOR CITIZEN CENTERS AND NURSING HOMES WHICH ARE
29 NONPROFIT AND CHARITABLE AND WHICH HAVE BEEN GRANTED TAX-
30 EXEMPT STATUS UNDER THE INTERNAL REVENUE CODE OF 1986 (PUBLIC

1 LAW 99-514, 26 U.S.C. § 1 ET SEQ.), PROVIDED THAT ALL
2 FUNDRAISING ACTIVITIES ARE CARRIED ON BY VOLUNTEERS, MEMBERS
3 OR OFFICERS OF THE SENIOR CITIZEN CENTER AND THOSE
4 VOLUNTEERS, MEMBERS OR OFFICERS RECEIVE NO COMPENSATION,
5 DIRECTLY OR INDIRECTLY, FOR THE FUNDRAISING ACTIVITIES.

6 (6) BONA FIDE PARENT/TEACHER ASSOCIATIONS OR
7 PARENT/TEACHER ORGANIZATIONS AS RECOGNIZED IN A NOTARIZED
8 LETTER FROM THE SCHOOL DISTRICT IN WHICH THEY ARE LOCATED.

9 (7) ANY CORPORATION ESTABLISHED BY AN ACT OF CONGRESS OF
10 THE UNITED STATES THAT IS REQUIRED BY FEDERAL LAW TO SUBMIT
11 ANNUAL REPORTS OF ITS ACTIVITIES TO CONGRESS CONTAINING
12 ITEMIZED ACCOUNTS OF ALL RECEIPTS AND EXPENDITURES AFTER
13 BEING FULLY AUDITED BY THE DEPARTMENT OF DEFENSE.

14 (8) ANY CHARITABLE ORGANIZATION WHICH RECEIVES
15 CONTRIBUTIONS OF \$25,000 OR LESS ANNUALLY, PROVIDED THAT SUCH
16 ORGANIZATION DOES NOT COMPENSATE ANY PERSON WHO CONDUCTS
17 SOLICITATIONS. CHARITABLE ORGANIZATIONS WHICH RECEIVE MORE
18 THAN \$25,000 IN CONTRIBUTIONS SHALL FILE THE APPROPRIATE
19 REGISTRATION STATEMENT WITHIN 30 DAYS AFTER THE CONTRIBUTIONS
20 ARE RECEIVED.

21 (9) ANY BONA FIDE ORGANIZATION OF VOLUNTEER FIREFIGHTERS
22 LOCATED IN THIS COMMONWEALTH, REGARDLESS OF THE AMOUNT OF
23 CONTRIBUTIONS RECEIVED ANNUALLY, WHICH PROVIDES FIRE
24 PROTECTION SERVICES AND WHICH MAY OFFER OTHER VOLUNTARY
25 EMERGENCY SERVICES WITHIN THIS COMMONWEALTH. VOLUNTARY
26 EMERGENCY SERVICES PROVIDED BY AN ORGANIZATION OF VOLUNTEER
27 FIREFIGHTERS MAY INCLUDE VOLUNTARY AMBULANCE AND VOLUNTARY
28 RESCUE SERVICES.

29 (10) A BONA FIDE AMBULANCE ASSOCIATION LOCATED IN THIS
30 COMMONWEALTH, REGARDLESS OF THE AMOUNT OF CONTRIBUTIONS

1 RECEIVED ANNUALLY.

2 (11) A BONA FIDE RESCUE SQUAD ASSOCIATION LOCATED IN
3 THIS COMMONWEALTH, REGARDLESS OF THE AMOUNT OF CONTRIBUTIONS
4 RECEIVED ANNUALLY.

5 (B) EFFECT OF EXEMPTION.--EXEMPTION FROM THE REGISTRATION
6 REQUIREMENTS OF THIS ACT SHALL IN NO WAY LIMIT THE APPLICABILITY
7 OF OTHER PROVISIONS OF THE ACT TO A CHARITABLE ORGANIZATION OR
8 ANY PROFESSIONAL SOLICITOR OR PROFESSIONAL FUNDRAISING COUNSEL
9 ACTING ON ITS BEHALF, EXCEPT THAT WRITTEN NOTICE UNDER SECTIONS
10 9(K) AND 13(C) SHALL NOT APPLY.

11 ~~Section 2-3. The act is amended by adding a section to read: <—~~
12 ~~Section 22.1. Severability.~~

13 ~~The provisions of this act are severable. If any provision of~~
14 ~~this act or its application to any person or circumstance is~~
15 ~~held invalid, the invalidity shall not affect other provisions~~
16 ~~or applications of this act which can be given effect without~~
17 ~~the invalid provision or application.~~

18 ~~Section 3-4 3. This act shall take effect in 60 days. <—~~