

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 52<sup>nd</sup> Legislature

<b>Bill No.:</b>	<b>SB1070</b>
<b>Version:</b>	<b>CS</b>
<b>Author:</b>	<b>Representative Peters</b>
<b>Date:</b>	<b>4/19/2010</b>
<b>Impact:</b>	<b>FY-11 - Operating Cost Increase:</b> <b>\$13,898</b>
	<b>FY-11 - One-time Set-up Costs:</b> <b>\$49,275</b>
	<b>FY-11 – Net Loss:</b> <b>\$31,605</b>
	<b>FY-12 – Operating Cost Increase:</b> <b>\$27,795</b>
	<b>FY-12 - Net Revenue:</b> <b>\$35,240</b>

**Bill Summary**

Research Analyst: Brad Wolgamott

SB 1070 transfers the responsibility for registration of charitable and non-profit organizations from the Secretary of State to the Office of the Attorney General (AG). The measure revises the regulations pertaining to charitable organizations and fundraising activities. Charitable organizations that collect less than \$10,000 are currently exempt from registration. SB 1070 removes that exemption. The measure also increases annual registration fees, professional fund raiser fees, and diverts fee revenue from the General Revenue Fund to the Charitable Solicitation Enforcement Revolving Fund. The measure also provides civil and criminal penalties for certain violations of the Oklahoma Solicitation of Charitable Contributions Act.

Title is stricken.

Enacting clause is stricken.

**Fiscal Summary**

Fiscal Analyst: Marilyn Anderson

CS for SB 1070 transfers the responsibility for registration of charitable and non-profit organizations from the Secretary of State (SOS) to the Office of the Attorney General (AG). The measure revises the regulations pertaining to charitable organizations and fundraising activities. Charitable organizations that collect less than \$10,000 are currently exempt from registration. SB 1070 removes that exemption. The measure also increases annual registration fees, professional fund raiser fees, and diverts fee revenue from the General Revenue Fund to the Charitable Solicitation Enforcement Revolving Fund. The measure also provides civil and criminal penalties for certain violations of the Oklahoma Solicitation of Charitable Contributions Act. The effective date of the measure is January 1, 2011.

## **Fiscal Analysis**

According to the AG, there would be approximately \$49,275 in one-time startup costs, which include:

Set-up	\$ 18,000
IT Programming	\$ 25,275
Server	\$ 3,000
Printer/copier/scanner	<u>\$ 3,000</u>
Total	\$ 49,275

The AG estimates annual operating costs of \$233,315. Operating costs for FY-11 would be approximately \$116,658.

3 FTE (including benefits)	\$ 188,500
Misc. Administrative Expense	\$ 12,000
Administrative Overhead	\$ 19,815
Travel/Training	\$ 10,000
Education Materials	<u>\$ 3,000</u>
Total	\$ 233,315

According to the SOS, operating costs are currently \$205,520.

2 FTE	\$ 121,045
Supplies, Postage, Telephone	\$ 27,667
Administrative Overhead	\$ 20,573
IT Expense	<u>\$ 36,235</u>
Total	\$ 205,520

The SOS's costs are \$27,795 less than the AG's estimate. The operating cost increase for FY-11 would be approximately \$13,898.

Fee increases would be as follows:

	<b>Current Fees</b> <b>(General Revenue)</b>	<b>New Fees</b>	
		<b>(General Revenue)</b>	<b>(Revolving Fund)</b>
Charity/Non-profit Registration	\$ 15.00	\$ 15.00	\$ 85.00
If contributions ≤ \$10,000	\$ .00	.00	\$ 15.00
Professional Fund Raiser	\$ 50.00	\$ 50.00	\$ 300.00
Solicitors	\$ 10.00	\$ 10.00	\$ 25.00

Based on numbers provided by the Secretary of State, revenue from fee increases would be as follows:

Charity/Non-profit Registration – 2268	\$ 34,020	\$ 34,020	\$ 192,780
If contributions ≤ \$10,000	n/a	n/a	unknown
Professional Fund Raiser – 111	\$ 5,550	\$ 5,550	\$ 33,300
Solicitors – 1703	<u>\$ 17,030</u>	<u>\$ 17,030</u>	<u>\$ 42,575</u>
Total	\$ 56,600	\$ 56,600	\$ 268,655

Currently, all fee revenues are deposited into the General Revenue Fund. SB 1070 would require all fee increase revenues to be deposited into the Charitable Solicitation Enforcement Revolving Fund for the Office of the Attorney General. The original fee amounts would still be deposited into the General Revenue Fund. The fees should generate approximately \$325,255, \$56,600 to General Revenue and \$268,655 to the revolving fund. There would also be an unknown increase in revenue from charity/non-profits that currently are not required to register. The effective date of the measure is January 1, 2011, so net revenue for FY-11 would only be \$17,670. After subtracting one-time start-up costs of \$49,275, there would be a net loss of \$31,605 for FY-11. The net annual revenue increase to the Attorney General for FY-12 and beyond would be approximately \$35,240.

### **Long Term Fiscal Considerations**

None

Fiscal Analysis Reviewed By:

*Janice Buchanan*

House Fiscal Director