

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 59th Legislature (2023)

4 ENGROSSED SENATE
5 BILL NO. 772

By: Daniels of the Senate

and

6 Boatman, Lepak, and Hilbert
7 of the House

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10 An Act relating to charitable organizations; stating
11 applicability of provisions; requiring notice from
12 charitable organization to Attorney General prior to
13 certain actions; providing exception; prohibiting
14 transfer of certain assets within certain time
15 period; providing exceptions; requiring notice to
16 Attorney General of certain actions related to
17 federal charitable income tax exemption; requiring
18 Attorney General to consider certain factors in
19 review of certain events; requiring written notice of
20 Attorney General for certain objections; authorizing
21 review by district court; providing for codification;
22 and providing an effective date.

23 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

24 SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 552.24 of Title 18, unless there
is created a duplication in numbering, reads as follows:

A. The requirements of this section shall only apply to a
charitable organization that:

1 1. Is incorporated, organized, or has its principal place of
2 business in this state, or has assets located in this state with a
3 fair market value in excess of Five Hundred Thousand Dollars
4 (\$500,000.00); and

5 2. Has engaged in solicitation of contributions in this state
6 for a period of one (1) year.

7 B. A charitable organization required to register under Section
8 552.3 of Title 18 of the Oklahoma Statutes shall give written notice
9 to the Attorney General no later than forty-five (45) days before
10 any of the following events:

11 1. Dissolution of the charitable organization;

12 2. Termination of the charitable organization;

13 3. Disposition by the charitable organization of all or
14 substantially all of the charitable assets of the charitable
15 organization;

16 4. Removal of the charitable organization from the jurisdiction
17 of this state;

18 5. Removal of all or substantially all charitable assets of the
19 charitable organization from this state; or

20 6. An amendment of the governing document that describes the
21 charitable purposes of the charitable organization and the use and
22 administration of charitable assets held by the charitable
23 organization.

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1 Such events shall not include a grant or other donation by a
2 charitable organization in the ordinary course of its operation and
3 consistent with its past practice.

4 C. A charitable organization required to register under Section
5 552.3 of Title 18 of the Oklahoma Statutes shall give written notice
6 to the Attorney General no later than forty-five (45) days before
7 the consummation of a merger, consolidation, or conversion of the
8 charitable organization.

9 D. A transfer of a charitable asset in connection with an event
10 described in subsection B or C of this section which occurs earlier
11 than forty-five (45) days after giving the notice required in
12 subsection B or C of this section shall be a violation of this
13 section unless before the transfer, the charitable organization
14 receives written consent from the Attorney General to the event or
15 written notice from the Attorney General that the Attorney General
16 will take no action related to the event.

17 E. A charitable organization required to register under Section
18 552.3 of Title 18 of the Oklahoma Statutes shall give written notice
19 to the Attorney General no later than twenty (20) days after receipt
20 of a notice of revocation, modification, or denial of its federal
21 charitable income tax exemption.

22 F. In reviewing any event for which notice is required under
23 subsection B or C of this section, the Attorney General shall
24 consider, among other relevant factors as determined by the Attorney

1 General, the value of the assets or interests transferred, the
2 person or entity to which such transfer is made, the purpose of the
3 transfer, the source of the assets, whether the assets consist of
4 donated funds or property, the donors' intent to the extent it can
5 be determined, and any expression of support by the board of
6 directors and the voting members of the charitable organization that
7 proposes to make the transfer.

8 G. If the Attorney General objects to any event for which
9 notice is required under subsection B or C of this section, the
10 Attorney General shall give written notice to the charitable
11 organization of the objection. Either the Attorney General or the
12 charitable organization may file an action with the district court
13 of the county in which the charitable organization is located to
14 obtain a review by such district court of the objection of the
15 Attorney General.

16 SECTION 2. This act shall become effective November 1, 2023.

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18 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE, dated
19 04/05/2023 - DO PASS.
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