

1 **SENATE FLOOR VERSION**

2 March 3, 2026

3 SENATE BILL NO. 1534

By: Haste of the Senate

4 and

5 Moore of the House

6
7
8 An Act relating to corporations; amending 18 O.S.
9 2021, Sections 552.2, 552.3, 552.4, and 552.14a,
10 which relate to the Oklahoma Solicitation of
11 Charitable Contributions Act; modifying definitions;
12 defining terms; requiring charitable organization to
13 provide certain information to the Secretary of
14 State; modifying applicability of act to certain
15 organizations and institutions; authorizing
16 charitable organizations to enter into certain
17 consent judgments; specifying proper court
18 jurisdiction to enforce certain compliance; providing
19 exceptions to certain prohibited disclosures;
20 defining term; specifying certain duties for director
21 or officer of charitable nonprofit corporation;
22 amending 18 O.S. 2021, Sections 1004.1 and 1027, as
23 amended by Sections 9 and 16, Chapter 120, O.S.L.
24 2024, and 1029 (18 O.S. Supp. 2025, Sections 1004.1
and 1027), which relate to the Oklahoma General
Corporation Act; modifying applicability of certain
provisions; modifying definition; modifying required
number of members of boards of directors of certain
corporations; prohibiting certain actions by
charitable nonprofit corporations; providing for
certain liability; updating statutory language;
updating statutory references; providing for
codification; and providing an effective date.

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

1 SECTION 1. AMENDATORY 18 O.S. 2021, Section 552.2, is
2 amended to read as follows:

3 Section 552.2. As used in the Oklahoma Solicitation of
4 Charitable Contributions Act:

5 1. ~~"Person" means any individual, organization, group,~~
6 ~~association, partnership, corporation, limited liability company,~~
7 ~~trust, or other entity, except as otherwise provided in Section~~
8 ~~552.1 et seq. of this title;~~

9 2. ~~"Charitable organization" means any person soliciting~~
10 ~~contributions in this state, other than a natural person, that is~~
11 ~~described in Section 501(c) of Title 26 of the United States Code,~~
12 ~~that solicits contributions as described in this act and that is~~
13 ~~organized and operated primarily for religious, charitable,~~
14 ~~scientific, literary, educational, artistic, cultural, economic~~
15 ~~development, civic improvement, testing for public safety, research,~~
16 ~~humanitarian, animal welfare, recreational, or environmental~~
17 ~~protection purposes; to foster national or international amateur~~
18 ~~sports competition, but only if no part of its activities involves~~
19 ~~the provision of athletic facilities or equipment; to prevent~~
20 ~~cruelty to children, the elderly, identified populations, or~~
21 ~~animals; to relieve poverty, hunger, or homelessness; to support law~~
22 ~~enforcement or citizen protection organizations or agencies; or to~~
23 ~~provide emergency relief~~ a charitable purpose. "Charitable
24 organization" shall also include a natural person representing

1 himself or herself as a charitable organization or purporting to act
2 on behalf of a charitable organization or a charitable purpose;

3 2. "Charitable purpose" means religious, charitable,
4 scientific, literary, educational, artistic, cultural, economic
5 development, civic improvement, testing for public safety, research,
6 humanitarian, animal welfare, recreational, or environmental
7 protection purposes; to foster national or international amateur
8 sports competition, but only if no part of its activities involves
9 the provision of athletic facilities or equipment; to prevent
10 cruelty to children, the elderly, identified populations, or
11 animals; to relieve poverty, hunger, or homelessness; to support law
12 enforcement or citizen protection organizations or agencies; or to
13 provide emergency relief;

14 3. "Contribution" means the promise, gift, donation, payment,
15 pledge, or grant of any money or property of any kind or value,
16 including any contribution for operations, capital, endowment,
17 reserves, dues, memberships, program support, naming opportunities,
18 or other uses. Contribution does not include a payment for goods,
19 services, admission to a museum, performances or programs sold or
20 provided by a charitable organization, if the payment does not
21 exceed the bona fide fair market value of the goods or services
22 provided;

23 4. "Form 990" means a return of an organization that is exempt
24 from federal income tax. Form 990 includes, but is not limited to,

1 Form 990, Form 990-N, Form 990-PF, and other similar returns as
2 required by federal law;

3 5. "Person" means any individual, organization, group,
4 association, partnership, corporation, limited liability company,
5 trust, or other entity, except as otherwise provided in Section
6 552.1 et seq. of this title;

7 6. "Professional fundraiser" means any person who for
8 compensation or other consideration plans, conducts or manages in
9 this state the solicitation of contributions for or on behalf of any
10 charitable organization, or who engages in the business of or holds
11 himself or herself out to persons in this state as independently
12 engaged in the business of soliciting contributions for such
13 purpose. For purposes of this act, professional fundraiser does not
14 include an employee of a charitable organization who engages in such
15 activities for the charitable organization for which he or she is
16 employed; nor does it include any volunteer who receives no payment,
17 compensation, or remuneration of any kind for soliciting any
18 contributions; provided, a volunteer may receive credit for
19 fulfilling any community service requirement of an educational
20 institution or government agency. In addition, for this purpose
21 consideration does not include incidental benefits that might be
22 received by a noncompensated person, such as meals, supplies, or
23 similar support, and does not include reimbursement for expenses

24

1 incurred by any noncompensated person in his or her solicitation
2 activities;

3 7. "Professional fundraising counsel" means any person that
4 provides, for compensation or other consideration, services,
5 including planning, organizing, or managing any solicitation, to a
6 charitable organization, as long as such person does not:

7 a. directly or indirectly solicit contributions alone or
8 through its employees and agents, or

9 b. accept, receive, hold, have access to, maintain,
10 manage, invest, or control any contribution generated
11 by the solicitation activity.

12 However, professional fundraising counsel does not include an
13 employee or volunteer of a charitable organization who is providing
14 such services on behalf of the charitable organization;

15 ~~5.~~ 8. "Professional solicitor" means any person that is either
16 located within this state or that is soliciting contributions from
17 any person in this state and who is employed or retained for
18 compensation or other consideration by a professional fundraiser to
19 solicit contributions for or on behalf of any charitable
20 organization. Professional solicitor does not include an employee
21 of a charitable organization who is engaged in such activities for
22 the charitable organization for which he or she is employed; nor
23 does it include a volunteer who engages in such activities for the
24 charitable organization for which he or she volunteers if the

1 volunteer receives no payment, compensation, or remuneration of any
2 kind for soliciting any contributions; provided, a volunteer may
3 receive credit for fulfilling any community service requirement of
4 an educational institution or government agency. In addition, for
5 this purpose consideration does not include incidental benefits that
6 might be received by a noncompensated person, such as meals,
7 supplies, or similar support, and does not include reimbursement for
8 expenses incurred by any noncompensated person in his or her
9 solicitation activities;

10 ~~6. "Professional fundraising counsel" means any person that~~
11 ~~provides, for compensation or other consideration, services,~~
12 ~~including planning, organizing or managing any solicitation, to a~~
13 ~~charitable organization, as long as such person does not:~~

- 14 ~~a. directly or indirectly solicit contributions alone or~~
15 ~~through its employees and agents, or~~
16 ~~b. accept, receive, hold, have access to, maintain,~~
17 ~~manage, invest, or control any contribution generated~~
18 ~~by the solicitation activity.~~

19 ~~However, professional fundraising counsel does not include an~~
20 ~~employee or volunteer of a charitable organization who is providing~~
21 ~~such services on behalf of the charitable organization; and~~

22 ~~7. 9. "Solicitation" means the request or appeal for any~~
23 ~~contribution on the plea or representation that such contribution~~
24 ~~will be used by or on behalf of a charitable organization; and~~

1 ~~8. "Form 990" means a return of an organization that is exempt~~
2 ~~from federal income tax. Form 990, includes, but is not limited to,~~
3 ~~Form 990, Form 990-N, Form 990-PF, and other similar returns as~~
4 ~~required by federal law.~~

5 SECTION 2. AMENDATORY 18 O.S. 2021, Section 552.3, is
6 amended to read as follows:

7 Section 552.3. A. No charitable organization that is either
8 located within this state or that is soliciting contributions from
9 any person in this state, except those specifically exempt under
10 Section 552.4 of this title, shall solicit contributions until the
11 charitable organization shall have registered with the Office of the
12 Secretary of State and filed information, as required by the
13 Oklahoma Solicitation of Charitable Contributions Act, on forms
14 approved by that office. At the time of registration, each
15 charitable organization, except as otherwise provided in this
16 section, shall pay a fee of Sixty-five Dollars (\$65.00). The first
17 Fifteen Dollars (\$15.00) of the fee shall be deposited to the credit
18 of the General Revenue Fund of the State Treasury. Thirty-four
19 Dollars (\$34.00) of the fee shall be deposited to the credit of the
20 Attorney General Charitable Solicitations Enforcement Revolving Fund
21 and the remaining Sixteen Dollars (\$16.00) shall be deposited to the
22 credit of the Secretary of State Charitable Solicitations Revolving
23 Fund. Provided, a charitable organization whose contributions
24 during the previous registration period did not exceed Ten Thousand

1 Dollars (\$10,000.00) or if this is the charitable organization's
2 first registration period and the anticipated contributions for the
3 current registration period are not expected to exceed Ten Thousand
4 Dollars (\$10,000.00), shall pay a fee of Fifteen Dollars (\$15.00) of
5 which Ten Dollars (\$10.00) shall be deposited to the credit of the
6 Attorney General Charitable Solicitations Enforcement Revolving Fund
7 and the remaining Five Dollars (\$5.00) shall be deposited to the
8 credit of the Secretary of State Charitable Solicitations Revolving
9 Fund. Each charitable organization that is required to register
10 under this act shall register annually with the Secretary of State
11 by the date that the charitable organization files its Form 990 or
12 by the date, plus extensions, that it is required to file its Form
13 990, whichever occurs first. Registration shall not be deemed to
14 constitute an endorsement by the state or by the Secretary of State
15 of any charitable organization or the proposed uses of the funds
16 solicited. The information ~~se~~ filed shall be available to the
17 general public. The charitable organization shall provide the
18 following information on the required forms:

19 1. The legal name of the charitable organization, any trade
20 names that the charitable organization uses, any other name the
21 organization may be identified or known as, and any distinctive
22 names the organization uses for purposes of solicitation of
23 contributions;

24 2. The mailing address of the charitable organization;

1 3. The federal tax identification number of a charitable
2 organization that is not a natural person, if any;

3 4. The name and mailing address of:

4 a. each officer, director, trustee, ~~and/or~~ or equivalent,
5 and

6 b. each salaried executive employee of the charitable
7 organization;

8 ~~4.~~ 5. The name and mailing address of:

9 a. each professional fundraiser or professional solicitor
10 that will have custody of the contributions, and

11 b. each person associated with a professional fundraiser,
12 professional solicitor or charitable organization that
13 is directly responsible for the payment and
14 distribution of funds collected;

15 ~~5.~~ 6. The name and mailing address of each professional
16 fundraising counsel utilized by the charitable organization;

17 ~~6.~~ 7. For charitable organizations that register for the first
18 time, a statement of whether ~~or not~~ the charitable organization
19 believes contributions for the first year of registration will
20 exceed Ten Thousand Dollars (\$10,000.00);

21 ~~7.~~ 8. The purposes for which the contributions solicited are to
22 be used;

23 ~~8.~~ 9. For the initial registration of a newly formed charitable
24 organization, a copy of a letter from the Internal Revenue Service,

1 or other evidence, showing that such organization is exempt from
2 federal income taxation; or, for a charitable organization that has
3 applied for federal income tax exemption with the Internal Revenue
4 Service but has not yet received a determination; or, for a
5 charitable organization that has not applied ~~for federal income tax~~
6 ~~exemption with the Internal Revenue Service~~ or is not required to
7 apply for federal income tax exemption, evidence showing that ~~said~~
8 the charitable organization is organized in any state or
9 jurisdiction as a not-for-profit entity;

10 ~~9.~~ 10. An identification of the period of time or periods
11 during which solicitations are to be conducted, which may be
12 specific periods, estimated or projected time frames, or continuous,
13 and which may involve different periods for different types of
14 solicitations by the same charitable organization;

15 ~~10.~~ 11. An identification of the specific method or methods of
16 solicitation utilized by the charitable organization and its agents;

17 ~~11.~~ 12. Whether the solicitation is to be conducted by the
18 following for or on behalf of the charitable organization:
19 professional fundraisers, employees or volunteers of the charitable
20 organization, ~~and/or~~ or others; and

21 ~~12.~~ 13. If the solicitation is to be conducted in whole or in
22 part by professional fundraisers, the names and addresses of each
23 professional fundraiser involved in the solicitation; the basis of
24 payment or other consideration payable to each professional

1 fundraiser and the nature of the arrangements between the charitable
2 organization and each professional fundraiser, the specific amount,
3 formula or percentage of compensation, or property of any kind or
4 value to be paid or provided to each professional fundraiser; and if
5 payment is based on a percentage, the amount of compensation as a
6 percentage of the total contributions received, and the net amount
7 of the total contributions received ~~(total, which equals total~~
8 ~~contributions received,~~ less expenses of solicitation other than
9 amounts payable to any professional ~~fundraiser)~~ fundraiser.

10 B. In addition to the required information in subsection A of
11 this section, every charitable organization subject to the
12 provisions of the Oklahoma Solicitation of Charitable Contributions
13 Act that has solicited contributions during the previous fiscal year
14 shall provide ~~the following information:~~

15 1. The gross amount of the contributions, gifts, grants and
16 other similar amounts received by the charitable organization;

17 2. The total Program Service Expenses of the charitable
18 organization;

19 3. The total Management and General Expenses of the charitable
20 organization;

21 4. The total Fundraising Expenses of the charitable
22 organization; and

23 5. The aggregate amount paid, or payable, to professional
24 fundraisers and professional fundraising counsel.

1 C. Any registration form required to be filed under this
2 section shall be executed by signature, without more, of the person
3 or persons signing the form, in which case the signature or
4 signatures shall constitute the affirmation of the signatory, under
5 penalty of perjury, that the signature is that person's act and deed
6 or the act and deed of the organization, and that the facts stated
7 therein are true.

8 D. If a charitable organization that is registered with the
9 Secretary of State to solicit contributions in this state changes
10 its name or the mailing address of its principal office, or plans to
11 engage in the solicitation of contributions using a name that is not
12 listed on its registration form, then it shall, prior to soliciting
13 any funds in this state using any such name, file with the Secretary
14 of State a statement executed by an authorized officer of the
15 organization setting forth any new name and mailing address along
16 with a fee of Twenty-five Dollars (\$25.00). Such fee shall be
17 deposited to the credit of the General Revenue Fund of the State
18 Treasury.

19 E. Any fraternal or membership organization not based in
20 Oklahoma which solicits contributions from any person of this state
21 by telephone, or contracts with professional fundraisers to solicit
22 such contributions, shall be required to have at least one member or
23 employee of the fraternal or membership organization residing within
24 the county where the call is received.

1 SECTION 3. AMENDATORY 18 O.S. 2021, Section 552.4, is
2 amended to read as follows:

3 Section 552.4. Except as otherwise specifically provided in the
4 Oklahoma Solicitation of Charitable Contributions Act, the
5 provisions of Sections 552.3 of this title shall not apply to the
6 following persons:

7 1. ~~Organizations incorporated for religious purposes and~~
8 ~~actually engaged in bona fide religious programs, and other~~
9 ~~organizations directly operated, supervised, or controlled by a~~
10 Churches and other religious organization organizations determined
11 by the Internal Revenue Service to be exempt from filing a federal
12 annual information return pursuant to 26 U.S.C., Section
13 6033(a)(3)(A)(i), (a)(3)(A)(iii), or (a)(3)(C)(i), including any
14 such organization that is a self-declared church or religious
15 organization pursuant to 26 U.S.C., Section 508(c)(1)(A);

16 2. Educational institutions that have a faculty, regularly
17 enrolled students and offer courses of study leading to the granting
18 of recognized degrees when solicitations of contributions are
19 primarily confined to its student body and their families, alumni,
20 faculty, and trustees and any 501(c)(3) organization authorized by
21 and having an established identity with such institutions when
22 solicitations of contributions are primarily confined to the
23 educational institution's student body and their families, alumni,
24 faculty, and trustees;

1 3. Fraternal organizations, when soliciting from their own
2 members, and patriotic and civic organizations, when solicitation of
3 contributions is confined to the membership of ~~said~~ such
4 organizations, and the solicitation is managed by their own
5 membership without paid solicitors; and

6 4. Persons soliciting contributions for a named individual
7 person, when such individual person is specified by name at the time
8 of solicitation, the purpose for such contribution is clearly
9 stated, and if the gross contributions collected, without any
10 deductions ~~whatsoever~~ for the benefit of the solicitor or any other
11 person, be deposited directly to an account in the name of the
12 beneficiary established for that purpose at a licensed local bank,
13 and if such contributions are used for the direct benefit of the
14 named individual person as beneficiary.

15 SECTION 4. AMENDATORY 18 O.S. 2021, Section 552.14a, is
16 amended to read as follows:

17 Section 552.14a. A. Applicable to charitable organizations,
18 professional fundraisers and professional solicitors, the following
19 shall constitute violations of this act:

20 1. Knowingly making any false material statement or
21 representation on a registration application;

22 2. Using the name of a person when soliciting contributions or
23 in an advertisement, brochure, stationery or correspondence, without
24 the consent or approval of such person, other than an officer,

1 director or trustee of the charitable organization by or for which
2 contributions are solicited. This paragraph shall not apply to the
3 use of the name of a person that has contributed to or sponsored an
4 event or program of the charitable organization in a report,
5 brochure, program, or listing of donors, contributors, sponsors, or
6 supporters issued or published by a charitable organization. This
7 paragraph shall not apply to the use of a public figure's name
8 ~~and/or~~ or likeness truthfully and in good faith, ~~se~~ as long as such
9 use does not imply a false endorsement;

10 3. Knowingly using, in connection with solicitation of
11 contributions for the purpose of deceiving the public, a name
12 similar to other charitable organizations, professional fundraiser,
13 professional solicitor or government agency or political
14 subdivision;

15 4. Failing to register as required pursuant to ~~Sections~~ Section
16 552.3, 552.7 or 552.9, as applicable, of ~~Title 18 of the Oklahoma~~
17 ~~Statutes~~ this title unless otherwise exempted by this act;

18 5. Employing in any solicitation or collection of contributions
19 for a charitable organization any device, scheme or artifice to
20 defraud or for obtaining money or property by means of any false
21 pretense, representation or promise; and

22 6. Failing or refusing to supply requested information as
23 required by Section 552.9 of ~~Title 18 of the Oklahoma Statutes~~ this
24 title.

1 B. The Attorney General or a district attorney may bring an
2 action:

3 1. To obtain a declaratory judgment that an act or practice
4 violates this act;

5 2. To enjoin, or to obtain a restraining order against a person
6 who has violated or is violating this act;

7 3. To recover actual damages, restitution, disgorgement and
8 penalties attributed to a violation of this act;

9 4. To recover reasonable expenses and investigation fees
10 attributable to a violation of this act;

11 5. To prosecute any civil or criminal actions as provided by
12 this act, as applicable; and

13 6. To revoke the registration of a charitable organization,
14 professional fundraiser, or professional solicitor for any violation
15 of this act.

16 C. In lieu of instigating or continuing an action or
17 proceeding, the Attorney General or a district attorney may accept a
18 consent judgment with respect to any act or practice declared to be
19 a violation of this act. Such a consent judgment shall provide for
20 the discontinuance by the person entering the same of any act or
21 practice declared to be a violation of this act, and it may include
22 a stipulation for the payment by such person of reasonable expenses,
23 attorney fees, investigation costs and penalties incurred by the
24 Attorney General or a district attorney. The consent judgment also

1 may include a stipulation for restitution to be made by such person
2 to contributors or to charitable organizations of money, property or
3 other things received from contributors in connection with a
4 violation of this act and also may include a stipulation for
5 specific performance. Any consent judgment entered into pursuant to
6 this section shall not be deemed to admit the violation, unless it
7 does so by its terms. Before any consent judgment entered into
8 pursuant to this section shall be effective, it must be approved by
9 the district court and an entry made in the manner required for
10 making an entry of judgment. After such approval is received, any
11 breach of the conditions of such consent judgment shall be treated
12 as a violation of a court order, and shall be subject to all the
13 penalties provided by law therefor.

14 D. In any action brought by the Attorney General or a district
15 attorney, the court may:

16 1. Make such orders or judgments as may be necessary to prevent
17 the use or employment by a person of any practice declared to be a
18 violation of this act;

19 2. Make such orders or judgments as may be necessary to
20 compensate any person for damages sustained;

21 3. Enjoin any person from engaging in solicitation of
22 charitable contributions in this state;

23 4. Revoke the registration of a charitable organization,
24 professional fundraiser or professional solicitor;

1 5. Enter any order that is appropriate in a criminal
2 prosecution of crimes identified in this act or any other state law;
3 and

4 6. Grant other appropriate relief.

5 E. When an action is filed under this act by the Attorney
6 General or a district attorney, no action seeking an injunction or
7 declaratory judgment shall be filed in any other district in this
8 state based upon the same transaction or occurrence, series of
9 transactions or occurrences, or allegations that form the basis of
10 the first action filed.

11 F. When the Attorney General or a district attorney has reason
12 to believe that a person has engaged in, is engaging in or is about
13 to engage in any practice declared to be in violation of this act
14 and he or she believes it to be in the public interest that an
15 investigation should be made to ascertain whether a person has in
16 fact engaged in, is engaging in or is about to engage in any such
17 practice, he or she may execute in writing and cause to be served
18 upon any such person who is believed to have information,
19 documentary material or physical evidence relevant to the alleged
20 violation an investigative demand requiring such person to furnish,
21 under oath or otherwise, a report in writing setting forth the
22 nonprivileged relevant facts and circumstances of which the person
23 has knowledge, or to appear and testify, or to produce relevant
24 nonprivileged documentary material or physical evidence for

1 examination at such reasonable time and place as may be stated in
2 the investigative demand, concerning the solicitation of charitable
3 contributions.

4 G. To accomplish the objectives and to carry out the duties
5 prescribed by this act, the Attorney General or district attorney,
6 in addition to other powers conferred on him or her by this act or
7 the laws of this state, may issue subpoenas or other process to any
8 person and conduct hearings in aid of any investigation or inquiry,
9 administer oaths and take sworn statements under penalty of perjury,
10 and serve and execute in any county, search warrants; provided, that
11 none of the powers conferred by this act shall be used for the
12 purpose of compelling any natural person to furnish testimony or
13 evidence that might tend to incriminate him or her or subject him or
14 her to a penalty; ~~and provided further, that information.~~

15 H. The district court of the county where the person served
16 with any demand or subpoena under this act resides or has a
17 principal place of business, or the District Court of Oklahoma
18 County, may enforce compliance with any notice, demand, or subpoena
19 under this act by order. Noncompliance shall be treated the same as
20 contempt of the court and a violation of this act.

21 I. Information obtained pursuant to the powers conferred by
22 this act shall not be made public or disclosed by the Attorney
23 General, district attorney, or their employees ~~unless otherwise~~
24 ~~provided under this act~~ except:

1 1. In or related to a lawsuit, consent judgment, or other
2 enforcement action pursuant to this act or other law of this state;

3 2. For law enforcement purposes; or

4 3. To other state and federal agencies charged with the
5 enforcement of charitable solicitation statutes.

6 ~~H.~~ J. In addition to any other penalties provided under this
7 act, a charitable organization, professional fundraiser, or
8 professional solicitor that is found to be in violation of the
9 Oklahoma Solicitation of Charitable Contributions Act in a civil
10 action or who willfully violates the terms of any injunction or
11 court order issued pursuant to the Oklahoma Solicitation of
12 Charitable Contributions Act shall pay a civil penalty of not more
13 than Ten Thousand Dollars (\$10,000.00) per violation, taking into
14 account the nature and severity of the violation and the benefit
15 provided to the public by the violator, along with the need for
16 protecting contributors and donors. For the purposes of this
17 section, the district court issuing an injunction shall retain
18 jurisdiction, and in such cases, the Attorney General, acting in the
19 name of the state, or a district attorney may petition for recovery
20 of civil penalties.

21 ~~I.~~ K. In administering and pursuing actions under this act, the
22 Attorney General and a district attorney are authorized to sue for
23 and collect reasonable expenses, attorney fees, and investigation
24 fees as determined by the court. Civil penalties or contempt

1 penalties sued for and recovered by the Attorney General or a
2 district attorney shall be used for the furtherance of their duties
3 and activities under this act.

4 ~~J.~~ L. In addition to other penalties imposed by this act, any
5 person convicted in a criminal proceeding of committing an act
6 prohibited in paragraph 1, 3 or 5 of subsection A of this section,
7 shall be guilty of a felony and upon conviction thereof shall be
8 subject to a fine not to exceed Ten Thousand Dollars (\$10,000.00) or
9 imprisonment in the custody of the Department of Corrections for not
10 more than five (5) years, or by both such fine and imprisonment.

11 SECTION 5. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 869 of Title 18, unless there is
13 created a duplication in numbering, reads as follows:

14 A. For the purposes of this section, "charitable nonprofit
15 corporation" means a nonprofit, nonstock corporation that is
16 recognized as tax exempt under 26 U.S.C., Section 501(c)(3) or is
17 organized for the purposes described in 26 U.S.C., Section
18 501(c)(3).

19 B. A director or officer of a charitable nonprofit corporation
20 shall discharge the duties of the position of director or officer in
21 good faith, in a manner the director reasonably believes to be in
22 the best interest of the corporation, and with the care an
23 ordinarily prudent person in like position would exercise under
24 similar circumstances.

1 SECTION 6. AMENDATORY 18 O.S. 2021, Section 1004.1, as
2 amended by Section 9, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025,
3 Section 1004.1), is amended to read as follows:

4 Section 1004.1.

5 APPLICATION OF ACT TO NONSTOCK CORPORATIONS

6 A. Except as otherwise provided in subsections B and C of this
7 section, the provisions of this chapter shall apply to nonstock
8 corporations in the manner specified in paragraphs 1 through 4 of
9 this subsection:

10 1. All references to shareholders of the corporation shall be
11 deemed to refer to members of the corporation;

12 2. All references to the board of directors of the corporation
13 shall be deemed to refer to the governing body of the corporation;

14 3. All references to directors or to members of the board of
15 directors of the corporation shall be deemed to refer to members of
16 the governing body of the corporation; and

17 4. All references to stock, capital stock, or shares thereof of
18 a corporation authorized to issue capital stock shall be deemed to
19 refer to memberships of a nonprofit nonstock corporation and to
20 membership interests of any other nonstock corporation.

21 B. Subsection A of this section shall not apply to:

22 1. This subsection or to paragraph 4 of subsection A and
23 paragraphs 1 and 2 of subsection B of Section 1006, subsection A of
24 Section 1013, Sections 1027, 1029, 1035, 1060 and 1073, subsection B

1 of Section 1075, and Sections 1076, 1077, 1083, 1084, 1085, 1086,
2 1087, 1092, 1097, 1119 and 1120 of this title, which apply to
3 nonstock corporations by their terms; and

4 2. Subsection B of Section 1013, Sections 1032, 1033, 1034,
5 1036, 1037, subsection D of 1038, 1039, 1042, 1043, 1044, 1045,
6 1046, 1047, Sections 22 and 23 of this act, 1056, 1057, 1058, 1059,
7 1061, 1064, 1067, 1075.1, 1078, 1079, 1081, 1082, 1083.1, 1090.3,
8 1095, 1096, 1130 through 1138, and 1142 of this title.

9 C. In the case of a nonprofit, nonstock corporation, subsection
10 A of this section shall not apply to:

11 1. The sections listed in subsection B of this section; and

12 2. Paragraph 3 of subsection B of Section 1006, paragraph 2 of
13 subsection A of Section 1030, Sections 1032 through 1055, 1062,
14 subsections A and B of 1063, and 1091 of this title.

15 D. For purposes of the Oklahoma General Corporation Act:

16 1. A "charitable nonstock corporation" is any nonprofit
17 nonstock corporation that is exempt from taxation under Section
18 501(c)(3) of the United States Internal Revenue Code, 26 U.S.C.,
19 Section 501(c)(3), or any successor provisions, or is organized for
20 the purposes described in 26 U.S.C., Section 501(c)(3), or any
21 successor provisions;

22 2. A "membership interest" is, unless otherwise provided in a
23 nonstock corporation's certificate of incorporation, a member's
24 share of the profits and losses of a nonstock corporation, or a

1 member's right to receive distributions of the nonstock
2 corporation's assets, or both;

3 3. A "nonprofit nonstock corporation" is a nonstock corporation
4 that does not have membership interests;

5 4. A "nonstock corporation" is any corporation organized under
6 the Oklahoma General Corporation Act that is not authorized to issue
7 capital stock; and

8 5. The terms "not-for-profit" and "nonprofit" are synonymous.

9 SECTION 7. AMENDATORY 18 O.S. 2021, Section 1027, as
10 amended by Section 16, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025,
11 Section 1027), is amended to read as follows:

12 Section 1027.

13 BOARD OF DIRECTORS; POWERS; NUMBER; QUALIFICATIONS; TERMS
14 AND QUORUM; COMMITTEES; CLASSES OF DIRECTORS; NONSTOCK CORPORATIONS;
15 RELIANCE UPON BOOKS; ACTION WITHOUT MEETING; ETC.

16 A. The business and affairs of every corporation organized in
17 accordance with the provisions of the Oklahoma General Corporation
18 Act shall be managed by or under the direction of a board of
19 directors, except as may be otherwise provided for in the Oklahoma
20 General Corporation Act or in the corporation's certificate of
21 incorporation. If any provision is made in the certificate of
22 incorporation, the powers and duties conferred or imposed upon the
23 board of directors by the provisions of the Oklahoma General
24

1 Corporation Act shall be exercised or performed to the extent and by
2 the person or persons stated in the certificate of incorporation.

3 B. The board of directors of a charitable, nonstock corporation
4 shall consist of three or more members, each of which shall be a
5 natural person. The board of directors of any other corporation
6 shall consist of one or more members, each of whom shall be a
7 natural person. The number of directors shall be fixed by or in the
8 manner provided for in the bylaws, unless the certificate of
9 incorporation fixes the number of directors, in which case a change
10 in the number of directors shall be made only by amendment of the
11 certificate. Directors need not be shareholders unless so required
12 by the certificate of incorporation or the bylaws. The certificate
13 of incorporation or bylaws may prescribe other qualifications for
14 directors. Each director shall hold office until a successor is
15 elected and qualified or until his or her earlier resignation or
16 removal. Any director may resign at any time upon notice given in
17 writing or by electronic transmission to the corporation. A
18 resignation is effective when the resignation is delivered unless
19 the resignation specifies a later effective date or an effective
20 date determined upon the happening of an event or events. A
21 resignation that is conditioned upon the director failing to receive
22 a specified vote for reelection as a director may provide that it is
23 irrevocable. A majority of the total number of directors shall
24 constitute a quorum for the transaction of business unless the

1 certificate of incorporation or the bylaws require a greater number.
2 Unless the certificate of incorporation provides otherwise, the
3 bylaws may provide that a number less than a majority shall
4 constitute a quorum which in no case shall be less than one-third
5 (1/3) of the total number of directors. The vote of the majority of
6 the directors present at a meeting at which a quorum is present
7 shall be the act of the board of directors unless the certificate of
8 incorporation or the bylaws shall require a vote of a greater
9 number.

10 C. 1. The board of directors may designate one or more
11 committees consisting of one or more of the directors of the
12 corporation. The board may designate one or more directors as
13 alternate members of any committee, who may replace any absent or
14 disqualified member at any meeting of the committee. The bylaws may
15 provide that in the absence or disqualification of a member of a
16 committee, the member or members present at a meeting and not
17 disqualified from voting, whether ~~or not~~ the member or members
18 constitute a quorum, may unanimously appoint another member of the
19 board of directors to act at the meeting in the place of any absent
20 or disqualified member. Any committee, to the extent provided in
21 the resolution of the board of directors, or in the bylaws of the
22 corporation, shall have and may exercise all the powers and
23 authority of the board of directors in the management of the
24 business and affairs of the corporation, and may authorize the seal

1 of the corporation to be affixed to all papers which may require it;
2 but no committee shall have the power or authority to:

3 a. approve, adopt, or recommend to the shareholders any
4 action or matter, other than the election or removal
5 of directors, expressly required by the Oklahoma
6 General Corporation Act to be submitted to
7 shareholders for approval, or

8 b. adopt, amend, or repeal any bylaw of the corporation.

9 2. Unless otherwise provided in the certificate of
10 incorporation, the bylaws or the resolution of the board of
11 directors designating the committee, a committee may create one or
12 more subcommittees, each subcommittee to consist of one or more
13 members of the committee, and delegate to a subcommittee any or all
14 of the powers and authority of the committee. Except for references
15 to committees and members of committees in this subsection, every
16 reference in this title to a committee of the board of directors or
17 a member of a committee shall be deemed to include a reference to a
18 subcommittee or member of a subcommittee.

19 3. A majority of the directors then serving on a committee of
20 the board of directors or on a subcommittee of a committee shall
21 constitute a quorum for the transaction of business by the committee
22 or subcommittee, unless the certificate of incorporation, the
23 bylaws, a resolution of the board of directors or a resolution of a
24 committee that created the subcommittee requires a greater or lesser

1 number; provided that in no case shall a quorum be less than one-
2 third (1/3) of the directors then serving on the committee or
3 subcommittee. The vote of the majority of the members of a
4 committee or subcommittee present at a meeting at which a quorum is
5 present shall be the act of the committee or subcommittee, unless
6 the certificate of incorporation, the bylaws, a resolution of the
7 board of directors or a resolution of a committee that created the
8 subcommittee requires a greater number.

9 D. The directors of any corporation organized under the
10 Oklahoma General Corporation Act, by the certificate of
11 incorporation or by an initial bylaw, or by a bylaw adopted by a
12 vote of the shareholders, may be divided into one, two, or three
13 classes; the term of office of those of the first class to expire at
14 the first annual meeting held after the classification becomes
15 effective; of the second class one (1) year thereafter; of the third
16 class two (2) years thereafter; and at each annual election held
17 after the classification becomes effective, directors shall be
18 chosen for a full term, as the case may be, to succeed those whose
19 terms expire. The certificate of incorporation or bylaw provision
20 dividing the directors into classes may authorize the board of
21 directors to assign members of the board then in office to such
22 classes when the classification becomes effective. The certificate
23 of incorporation may confer upon holders of any class or series of
24 stock the right to elect one or more directors who shall serve for

1 the term, and have voting powers as shall be stated in the
2 certificate of incorporation. The terms of office and voting powers
3 of the directors elected in the manner ~~so~~ provided in the
4 certificate of incorporation may be greater than or less than those
5 of any other director or class of directors. In addition, the
6 certificate of incorporation may confer upon one or more directors,
7 whether ~~or not~~ elected separately by the holders of any class or
8 series of stock, voting powers greater than or less than those of
9 other directors. Any such provision conferring greater or lesser
10 voting power shall apply to voting in any committee, unless
11 otherwise provided in the certificate of incorporation or bylaws.
12 If the certificate of incorporation provides that directors elected
13 by the holders of a class or series of stock shall have more or less
14 than one vote per director on any matter, every reference in the
15 Oklahoma General Corporation Act to a majority or other proportion
16 of directors shall refer to a majority or other proportion of the
17 votes of the directors.

18 E. A member of the board of directors, or a member of any
19 committee designated by the board of directors, in the performance
20 of the member's duties, shall be fully protected in relying in good
21 faith upon the records of the corporation and upon information,
22 opinions, reports, or statements presented to the corporation by any
23 of the corporation's officers or employees, or committees of the
24 board of directors, or by any other person as to matters the member

1 reasonably believes are within the officer's, employee's,
2 committee's or other person's competence and who have been selected
3 with reasonable care by or on behalf of the corporation.

4 F. Unless otherwise restricted by the certificate of
5 incorporation or bylaws:

6 1. Any action required or permitted to be taken at any meeting
7 of the board of directors, or of any committee thereof may be taken
8 without a meeting if all members of the board or committee, as the
9 case may be, consent thereto in writing or by electronic
10 transmission, and a consent may be documented, signed, and delivered
11 in any manner permitted by Section 1014.3 of this title. Any person
12 whether ~~or not~~ then a director may provide, whether through
13 instruction to an agent or otherwise, that a consent to action will
14 be effective at a future time ~~(including,~~ including a time
15 determined upon the happening of an ~~event)~~ event, no later than
16 sixty (60) days after such instruction is given or such provision is
17 made and such consent shall be deemed to have been given for
18 purposes of this subsection at such effective time so long as such
19 person is then a director and did not revoke the consent prior to
20 such time; and any such consent shall be revocable prior to its
21 becoming effective. After an action is taken, the consent or
22 consents relating thereto shall be filed with the minutes of the
23 proceedings of the board of directors, or the committee thereof, in
24 the same paper or electronic form as the minutes are maintained;

1 2. The board of directors of any corporation organized in
2 accordance with the provisions of the Oklahoma General Corporation
3 Act may hold its meetings, and have an office or offices, outside of
4 this state;

5 3. The board of directors shall have the authority to fix the
6 compensation of directors; and

7 4. Members of the board of directors of any corporation, or any
8 committee designated by the board, may participate in a meeting of
9 the board or committee by means of conference telephone or other
10 communications equipment by means of which all persons participating
11 in the meeting can hear or otherwise communicate with each other.
12 Participation in a meeting pursuant to the provisions of this
13 subsection shall constitute presence in person at the meeting.

14 G. 1. The certificate of incorporation or bylaws of any
15 nonstock corporation may provide that less than one-third (1/3) of
16 the members of the governing body may constitute a quorum thereof
17 and may otherwise provide that the business and affairs of the
18 corporation shall be managed in a manner different from that
19 provided for in this section, which differences may include
20 additional classes of directors, longer terms of service, the use of
21 less than unanimous consents for board action, and permitting the
22 Chair of the Board of Directors to designate committees and appoint
23 members.

24

1 2. Except as may be otherwise provided by the certificate of
2 incorporation, the provisions of this section shall apply to such a
3 corporation, and when so applied, all references to the board of
4 directors, to members thereof, and to shareholders shall be deemed
5 to refer to the governing body of the corporation, the members
6 thereof and the members of the corporation, respectively; and all
7 references to stock, capital stock, or shares shall be deemed to
8 refer to memberships of a nonprofit nonstock corporation and to
9 membership interests of any other nonstock corporation.

10 H. 1. Any director or the entire board of directors may be
11 removed, with or without cause, by the holders of a majority of the
12 shares then entitled to vote at an election of directors, except as
13 follows:

14 a. unless the certificate of incorporation otherwise
15 provides, in the case of a corporation whose board is
16 classified as provided for in subsection D of this
17 section, shareholders may effect such removal only for
18 cause, or

19 b. in the case of a corporation having cumulative voting,
20 if less than the entire board is to be removed, no
21 director may be removed without cause if the votes
22 cast against the director's removal would be
23 sufficient to elect the director if then cumulatively
24 voted at an election of the entire board of directors,

1 or, if there are classes of directors, at an election
2 of the class of directors of which the director is a
3 part.

4 2. Whenever the holders of any class or series are entitled to
5 elect one or more directors by the provisions of the certificate of
6 incorporation, the provisions of this subsection shall apply, in
7 respect to the removal without cause of a director or directors so
8 elected, to the vote of the holders of the outstanding shares of
9 that class or series and not to the vote of the outstanding shares
10 as a whole.

11 SECTION 8. AMENDATORY 18 O.S. 2021, Section 1029, is
12 amended to read as follows:

13 Section 1029.

14 LOANS TO EMPLOYEES AND OFFICERS; GUARANTY OF OBLIGATIONS
15 OF EMPLOYEES AND OFFICERS

16 ~~Any~~ A. Except as provided in subsection B of this section, any
17 corporation may lend money to, or guarantee any obligation of, or
18 otherwise assist any officer or other employee of the corporation or
19 of its subsidiary, including any officer or employee who is a
20 director of the corporation or its subsidiary whenever, in the
21 judgment of the directors, such loan, guaranty or assistance may
22 reasonably be expected to benefit the corporation. The loan,
23 guaranty or other assistance may be with or without interest, and
24 may be unsecured, or secured in such manner as the board of

1 directors shall approve, including, without limitation, a pledge of
2 shares of stock of the corporation. Nothing contained in this
3 section shall be construed to deny, limit or restrict the powers of
4 guaranty or warranty of any corporation at common law or under any
5 statute.

6 B. A charitable nonprofit corporation shall not lend money to
7 or guarantee the obligation of a director of the charitable
8 nonprofit corporation or of a related organization or of the spouse,
9 parents, children and spouses of children, brothers and sisters or
10 spouses of brothers and sisters of any director. If a loan is made
11 in violation of this section, the borrower's liability remains. The
12 directors who approve a loan in violation of this section are
13 jointly and severally liable for its repayment.

14 SECTION 9. This act shall become effective November 1, 2026.

15 COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY
16 March 3, 2026 - DO PASS
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