

AN ACT concerning regulation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Solicitation for Charity Act is amended by changing Sections 1 and 4 as follows:

(225 ILCS 460/1) (from Ch. 23, par. 5101)

Sec. 1. Definitions. The following words and phrases as used in this Act shall have the following meanings unless a different meaning is required by the context.

(a) "Charitable organization" means any benevolent, philanthropic, patriotic, or eleemosynary person or one purporting to be such which solicits and collects funds for charitable purposes and includes each local, county, or area division within this State of such charitable organization, provided such local, county, or area division has authority and discretion to disburse funds or property otherwise than by transfer to any parent organization.

(b) "Contribution" means the promise or grant of any money or property of any kind or value, including the promise to pay, except payments by union members of an organization. Reference to the dollar amount of "contributions" in this Act means in the case of promises to pay, or payments for merchandise or rights of any other description, the value of the total amount

promised to be paid or paid for such merchandise or rights and not merely that portion of the purchase price to be applied to a charitable purpose. Contribution shall not include the proceeds from the sale of admission tickets by any not-for-profit music or dramatic arts organization which establishes, by such proof as the Attorney General may require, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and which is organized and operated for the presentation of live public performances of musical or theatrical works on a regular basis. For purposes of this subsection, union member dues and donated services shall not be deemed contributions.

(c) "Person" means any individual, organization, group, association, partnership, corporation, trust, or any combination of them.

(d) "Professional fund raiser" means any person who for compensation or other consideration, conducts, manages, or carries on any solicitation or fund raising drive or campaign in this State or from this State or on behalf of a charitable organization residing within this State for the purpose of soliciting, receiving, or collecting contributions for or on behalf of any charitable organization or any other person, or who engages in the business of, or holds himself or herself out to persons in this State as independently engaged in the business of soliciting, receiving, or collecting contributions for such purposes. A bona fide director, officer, employee, or

unpaid volunteer of a charitable organization shall not be deemed a professional fund raiser unless the person is in a management position and the majority of the individual's salary or other compensation is computed on a percentage basis of funds to be raised, or actually raised.

(e) "Professional fund raising consultant" means any person who is retained by a charitable organization or trustee for a fixed fee or rate that is not computed on a percentage of funds to be raised, or actually raised, under a written agreement, to only plan, advise, consult, or prepare materials for a solicitation of contributions in this State, but who does not manage, conduct or carry on a fundraising campaign and who does not solicit contributions or employ, procure, or engage any compensated person to solicit contributions and who does not at any time have custody or control of contributions. A volunteer, employee, or salaried officer of a charitable organization or trustee maintaining a permanent establishment or office in this State is not a professional fundraising consultant. An attorney, investment counselor, or banker who advises an individual, corporation, or association to make a charitable contribution is not a professional fundraising consultant as a result of the advice.

(f) "Charitable purpose" means any charitable, benevolent, philanthropic, patriotic, or eleemosynary purpose.

(g) "Charitable Trust" means any relationship whereby property is held by a person for a charitable purpose.

(h) "Education Program Service" means any activity which provides information to the public of a nature that is not commonly known or facts which are not universally regarded as obvious or as established by common understanding and which informs the public of what it can or should do about a particular issue.

(i) "Primary Program Service" means the program service upon which an organization spends more than 50% of its program service funds or the program activity which represents the largest expenditure of funds in the fiscal period.

(j) "Professional solicitor" means any natural person who is employed or retained for compensation by a professional fund raiser to solicit, receive, or collect contributions for charitable purposes from persons in this State or from this State or on behalf of a charitable organization residing within this State.

(k) "Program Service Activity" means the actual charitable program activities of a charitable organization for which it expends its resources.

(l) "Program Service Expense" means the expenses of charitable program activity and not management expenses or fund raising expenses. In determining Program Service Expense, management and fund raising expenses may not be included.

(m) "Public Safety Personnel Organization" means any person who uses any of the words "officer", "police", "policeman", "policemen", "troopers", "sheriff", "law

enforcement", "fireman", "firemen", "paramedic", or similar words in its name or in conjunction with solicitations, or in the title or name of a magazine, newspaper, periodical, advertisement book, or any other medium of electronic or print publication, and is not a governmental entity. No organization may be a Public Safety Personnel Organization unless 80% or more of its voting members or trustees are active or retired police officers, police officers with disabilities, peace officers, firemen, fire fighters, emergency medical technicians - ambulance, emergency medical technicians - intermediate, emergency medical technicians - paramedic, ambulance drivers, or other medical assistance or first aid personnel.

(m-5) "Public Safety Personnel" includes police officers, peace officers, firemen, fire fighters, emergency medical technicians - ambulance, emergency medical technicians - intermediate, emergency medical technicians - paramedic, ambulance drivers, and other medical assistance or first aid personnel.

(n) "Trustee" means any person, individual, group of individuals, association, corporation, not for profit corporation, or other legal entity holding property for or solicited for any charitable purpose; or any officer, director, executive director or other controlling persons of a corporation soliciting or holding property for a charitable purpose.

(o) "Reviewed financial statements" means procedures performed on financial statements in accordance with statements on standards for accounting and review services issued by the American Institute of Certified Public Accountants, in which a certified public accountant obtains limited assurance as a basis for reporting whether the accountant is aware of any material modifications that should be made to the financial statements for them to be in accordance with the specified basis of accounting. This subsection is inoperative on and after January 1, 2029.

(Source: P.A. 99-143, eff. 7-27-15.)

(225 ILCS 460/4) (from Ch. 23, par. 5104)

Sec. 4. Annual reporting for charities.

(a) Every charitable organization registered pursuant to Section 2 of this Act which shall receive in any 12-month period ending upon its established fiscal or calendar year contributions in excess of \$500,000 ~~\$300,000~~ and every charitable organization whose fund raising functions are not carried on solely by staff employees or persons who are unpaid for such services, if the organization shall receive in any 12-month period ending upon its established fiscal or calendar year contributions in excess of \$25,000, shall file a written report with the Attorney General upon forms prescribed by him or her, on or before June 30 of each year if its books are kept on a calendar basis, or within 6 months after the close of its

fiscal year if its books are kept on a fiscal year basis, which written report shall include a financial statement covering the immediately preceding 12-month period of operation. Such financial statement shall include a balance sheet and statement of income and expense, and shall be consistent with forms furnished by the Attorney General clearly setting forth the following: gross receipts and gross income from all sources, broken down into total receipts and income from each separate solicitation project or source; cost of administration; cost of solicitation; cost of programs designed to inform or educate the public; funds or properties transferred out of this State, with explanation as to recipient and purpose; cost of fundraising; compensation paid to trustees; and total net amount disbursed or dedicated for each major purpose, charitable or otherwise. Such report shall also include a statement of any changes in the information required to be contained in the registration form filed on behalf of such organization. The report shall be signed by the president or other authorized officer and the chief fiscal officer of the organization who shall certify that the statements therein are true and correct to the best of their knowledge, and shall be accompanied by an opinion signed by an independent certified public accountant that the financial statement therein fairly represents the financial operations of the organization in sufficient detail to permit public evaluation of its operations. Said opinion may be relied upon

by the Attorney General.

(b) Every organization registered pursuant to Section 2 of this Act which shall receive in any 12-month period ending upon its established fiscal or calendar year of any year contributions:

(1) in excess of \$15,000, but not in excess of \$25,000, during a fiscal year shall file only a simplified summary financial statement disclosing only the gross receipts, total disbursements, and assets on hand at the end of the year on forms prescribed by the Attorney General; ~~or~~

(2) in excess of \$25,000, but not in excess of \$300,000, if it is not required to submit a report under subsection (a) of this Section, shall file a written report with the Attorney General upon forms prescribed by him, on or before June 30 of each year if its books are kept on a calendar basis, or within 6 months after the close of its fiscal year if its books are kept on a fiscal year basis, which shall include a financial statement covering the immediately preceding 12-month period of operation limited to a statement of such organization's gross receipts from contributions, the gross amount expended for charitable educational programs, other charitable programs, management expense, and fund raising expenses including a separate statement of the cost of any goods, services, l or admissions supplied as part of its

solicitations, and the disposition of the net proceeds from contributions, including compensation paid to trustees, consistent with forms furnished by the Attorney General. Such report shall also include a statement of any changes in the information required to be contained in the registration form filed on behalf of such organization. The report shall be signed by the president or other authorized officer and the chief fiscal officer of the organization who shall certify that the statements therein are true and correct to the best of their knowledge; ~~or-~~

(3) in excess of \$300,000, but not in excess of \$500,000, if it is not required to submit a report under subsection (a), shall file a written report with the Attorney General upon forms prescribed by the Attorney General, on or before June 30 of each year if its books are kept on a calendar basis, or within 6 months after the close of its fiscal year if its books are kept on a fiscal year basis, which written report shall include a financial statement covering the immediately preceding 12-month period of operation limited to a statement of such organization's gross receipts from contributions, the gross amount expended for charitable educational programs, other charitable programs, management expense, and fund raising expenses, including a separate statement of the cost of any goods, services, or admissions supplied as part of its solicitations, and the disposition of the net

proceeds from contributions, including compensation paid to trustees, consistent with forms furnished by the Attorney General. Such report shall also include a statement of any changes in the information required to be contained in the registration form filed on behalf of such organization. The report shall be signed by the president or other authorized officer and the chief fiscal officer of the organization who shall certify that the statements therein are true and correct to the best of their knowledge and shall be accompanied by reviewed financial statements, including a report signed by an independent certified public accountant stating that the independent certified public accountant is not aware of any material modifications that should be made to the financial statements in order to permit public evaluation of its operations. The report may be relied upon by the Attorney General.

(c) For any fiscal or calendar year of any organization registered pursuant to Section 2 of this Act in which such organization would have been exempt from registration pursuant to Section 3 of this Act if it had not been so registered, or in which it did not solicit or receive contributions, such organization shall file, on or before June 30 of each year if its books are kept on a calendar basis, or within 6 months after the close of its fiscal year if its books are kept on a fiscal year basis, instead of the reports required by

subdivisions (a) or (b) of this Section, a statement certified under penalty of perjury by its president and chief fiscal officer stating the exemption and the facts upon which it is based or that such organization did not solicit or receive contributions in such fiscal year. The statement shall also include a statement of any changes in the information required to be contained in the registration form filed on behalf of such organization.

(d) As an alternative means of satisfying the duties and obligations otherwise imposed by this Section, any veterans organization chartered or incorporated under federal law and any veterans organization which is affiliated with, and recognized in the bylaws of, a congressionally chartered or incorporated organization may, at its option, annually file with the Attorney General the following documents:

(1) A copy of its Form 990, as filed with the Internal Revenue Service.

(2) Copies of any reports required to be filed by the affiliate with the congressionally chartered or incorporated veterans organization, as well as copies of any reports filed by the congressionally chartered or incorporated veterans organization with the government of the United States pursuant to federal law.

(3) Copies of all contracts entered into by the congressionally chartered or incorporated veterans organization or its affiliate for purposes of raising

funds in this State, such copies to be filed with the Attorney General no more than 30 days after execution of the contracts.

(e) As an alternative means of satisfying all of the duties and obligations otherwise imposed by this Section, any person, pursuant to a contract with a charitable organization, a veterans organization, or an affiliate described or referred to in subsection (d) who receives, collects, holds, or transports as the agent of the organization or affiliate for purposes of resale any used or second hand personal property, including but not limited to household goods, furniture, or clothing donated to the organization or affiliate may, at its option, annually file with the Attorney General the following documents, accompanied by an annual filing fee of \$15:

(1) A notarized report including the number of donations of personal property it has received on behalf of the charitable organization, veterans organization, or affiliate during the preceding year. For purposes of this report, the number of donations of personal property shall refer to the number of stops or pickups made regardless of the number of items received at each stop or pickup. The report may cover the person's fiscal year, in which case it shall be filed with the Attorney General no later than 90 days after the close of that fiscal year.

(2) All contracts with the charitable organization, veterans organization, or affiliate under which the person

has acted as an agent for the purposes listed above.

(3) All contracts by which the person agreed to pay the charitable organization, veterans organization, or affiliate a fixed amount for, or a fixed percentage of the value of, each donation of used or second hand personal property. Copies of all such contracts shall be filed no later than 30 days after they are executed.

(f) The Attorney General may seek appropriate equitable relief from a court, enter into a binding nonjudicial settlement agreement, or ~~or, in his discretion,~~ cancel the registration of any organization which fails to comply with subsection ~~subdivision~~ (a), (b), or (c) of this Section within the time therein prescribed, or fails to furnish such additional information as is requested by the Attorney General within the required time; except that the time may be extended by the Attorney General for a period not to exceed 60 days upon a timely written request and for good cause stated. Unless otherwise stated herein, the Attorney General shall, by rule, set forth the standards used to determine whether a registration shall be cancelled as authorized by this subsection. Such standards shall be stated as precisely and clearly as practicable, to inform fully those persons affected. Notice of such cancellation shall be mailed to the registrant at least 15 days before the effective date thereof.

(g) The Attorney General in his or her discretion may, pursuant to rule, accept executed copies of federal Internal

Revenue returns and reports as a portion of the foregoing annual reporting in the interest of minimizing paperwork, except there shall be no substitute for the independent certified public accountant audit opinion required by this Act.

(h) The Attorney General after canceling the registration of any trust or organization which fails to comply with this Section within the time therein prescribed may by court proceedings, in addition to all other relief, seek to collect the assets and distribute such under court supervision to other charitable purposes.

(h-5) The Attorney General, within a binding nonjudicial settlement agreement, may accept a written assurance of discontinuance of any method, act, or practice alleged to be a violation of subsection (a), (b), or (c) from the person who has engaged in the method, act, or practice. The Attorney General may at any time reopen a matter in which an assurance of discontinuance is accepted for further proceedings if the Attorney General determines that reopening the matter is in the public interest. Evidence of a violation of an assurance of discontinuance is prima facie evidence of a violation of this Act in any subsequent proceeding brought by the Attorney General.

(i) Every trustee, person, and organization required to file an annual report shall pay a filing fee of \$15 with each annual financial report filed pursuant to this Section. If a

proper and complete annual report is not timely filed, a late filing fee of an additional \$100 is imposed and shall be paid as a condition of filing a late report. Reports submitted without the proper fee shall not be accepted for filing. Payment of the late filing fee and acceptance by the Attorney General shall both be conditions of filing a late report. All late filing fees shall be used to provide charitable trust enforcement and dissemination of charitable trust information to the public and shall be maintained in a separate fund for such purpose known as the Illinois Charity Bureau Fund.

(j) There is created hereby a separate special fund in the State Treasury to be known as the Illinois Charity Bureau Fund. That Fund shall be under the control of the Attorney General, and the funds, fees, and penalties deposited therein shall be used by the Attorney General to enforce the provisions of this Act and to gather and disseminate information about charitable trustees and organizations to the public.

(k) The changes made to this Section by this amendatory Act of the 103rd General Assembly are inoperative on and after January 1, 2029.

(Source: P.A. 100-201, eff. 8-18-17.)

Section 99. Effective date. This Act takes effect January 1, 2024.