

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 COMMITTEE SUBSTITUTE

4 FOR

5 SENATE BILL 772

6 By: Daniels

7 COMMITTEE SUBSTITUTE

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

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

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

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

1. Is incorporated, organized, or has its principal place of
business in this state, or has assets located in this state with a

1 fair market value in excess of Five Hundred Thousand Dollars
2 (\$500,000.00); and

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

5 B. A charitable organization required to register under Section
6 552.3 of Title 18 of the Oklahoma Statutes shall give written notice
7 to the Attorney General no later than forty-five (45) days before
8 any of the following events:

9 1. Dissolution of the charitable organization;

10 2. Termination of the charitable organization;

11 3. Disposition by the charitable organization of all or
12 substantially all of the charitable assets of the charitable
13 organization;

14 4. Removal of the charitable organization from the jurisdiction
15 of this state;

16 5. Removal of substantially all charitable assets of the
17 charitable organization from this state; or

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

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

1 C. A charitable organization required to register under Section
2 552.3 of Title 18 of the Oklahoma Statutes shall give written notice
3 to the Attorney General no later than forty-five (45) days before
4 the consummation of a merger, consolidation, or conversion of the
5 charitable organization.

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

14 E. A charitable organization required to register under Section
15 552.3 of Title 18 of the Oklahoma Statutes shall give written notice
16 to the Attorney General no later than twenty (20) days after receipt
17 of a notice of revocation, modification, or denial of its federal
18 charitable income tax exemption.

19 F. In reviewing any event for which notice is required under
20 subsection B or C of this section, the Attorney General shall
21 consider, among other relevant factors as determined by the Attorney
22 General, the value of the assets or interests transferred, the
23 person or entity to which such transfer is made, the purpose of the
24 transfer, the source of the assets, whether the assets consist of

1 donated funds or property, the donors' intent to the extent it can
2 be determined, and any expression of support by the board of
3 directors and the voting members of the charitable organization that
4 proposes to make the transfer.

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

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

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