

1 **SENATE FLOOR VERSION**

2 February 21, 2023

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 772

By: Daniels

6  
7 An Act relating to charitable organizations; stating  
8 applicability of provisions; requiring notice from  
9 charitable organization to Attorney General prior to  
10 certain actions; providing exception; prohibiting  
11 transfer of certain assets within certain time  
12 period; providing exceptions; requiring notice to  
13 Attorney General of certain actions related to  
14 federal charitable income tax exemption; requiring  
15 Attorney General to consider certain factors in  
16 review of certain events; requiring written notice of  
17 Attorney General for certain objections; authorizing  
18 review by district court; providing for codification;  
19 and providing an effective date.

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

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

24 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 all or 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.

14 COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY  
15 February 21, 2023 - DO PASS AS AMENDED BY CS

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