

Senate Bill No. 1836

Passed the Senate August 6, 1998

Secretary of the Senate

Passed the Assembly July 27, 1998

Chief Clerk of the Assembly

This bill was received by the Governor this ____ day
of _____, 1998, at ____ o'clock __M.

Private Secretary of the Governor

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CHAPTER _____

An act to add Chapter 29 (commencing with Section 22930) to Division 8 of the Business and Professions Code, relating to donated property.

LEGISLATIVE COUNSEL'S DIGEST

SB 1836, Johnston. Donated property.

Existing law generally regulates disclosures made by any individual, corporation, or other legal entity who for compensation solicits funds or other property in this state for charitable purposes. Existing law requires a commercial fundraiser for charitable purposes, as defined, to register with the Attorney General's Registry of Charitable Trusts.

This bill would require a nonprofit organization engaged in any solicitation or sales solicitation for charitable purposes or a commercial fundraiser to provide a donor of specified property with a receipt with prescribed information within 90 days from date of donation. The bill would require the receipt to describe the property, as specified, and if the property was sold prior to issuance of the receipt and an alteration subsequent to the donation affected the value of the property, whether the alteration increased or decreased the value of the property. The bill would require the nonprofit organization or commercial fundraiser to retain a copy of the receipt.

The bill would also require specified nonprofit organizations and commercial fundraisers that state the percentage of a donation that will be available or used for charitable purposes to calculate the percentage in a prescribed manner.

The people of the State of California do enact as follows:

SECTION 1. Chapter 29 (commencing with Section 22930) is added to Division 8 of the Business and Professions Code, to read:



CHAPTER 29. DONATED PROPERTY

22930. (a) If a nonprofit organization engaged in any solicitation of personal property or sales solicitation for charitable purposes, or a commercial fundraiser, as defined in Section 12599 of the Government Code, solicits the donation of personal property for charitable purposes, the donation of which may be deductible pursuant to Section 17201 of the Revenue and Taxation Code, and the nonprofit organization or commercial fundraiser states either in writing or verbally the percentage of the donation that will be available or used for charitable purposes, the nonprofit organization or commercial fundraiser shall calculate, on an annual basis, that percentage based on the gross amount received from the disposition of the property, and the net amount paid to the charity for its programs, after subtracting the cost incurred by the nonprofit organization, the commercial fundraiser, or any other entity acting on behalf of the nonprofit organization to solicit, acquire, modify, and dispose of the property and any net income retained by the commercial fundraiser or any other entity acting on behalf of the nonprofit organization.

(b) If a person donates a motor vehicle, aircraft, or vessel to a nonprofit organization engaged in any solicitation or sales solicitation for charitable purposes or to a commercial fundraiser for charitable purposes, as defined in Section 12599 of the Government Code, and the donation may be deductible pursuant to Section 17201 of the Revenue and Taxation Code, the nonprofit organization or commercial fundraiser shall send the donor a receipt for that property within 90 days from the date of the donation. The receipt shall describe the donated property in terms of its model, age, level of use, including, but not limited to, the mileage, in the case of a vehicle, and condition, and whether a visual inspection by the nonprofit organization or commercial fundraiser, or a representative of the nonprofit organization or commercial fundraiser, indicated that there were any readily apparent defects that would materially reduce



the value of the property. The receipt shall also include the date the donation was made and shall indicate whether the property was operable or inoperable at the time of the donation.

(c) If the donated property is sold prior to the issuance of the receipt described in subdivision (b), the receipt issued pursuant to subdivision (b) shall also include all of the following:

(1) The date the property was sold.

(2) If the property was sold to a dismantler, the amount paid to the nonprofit organization or commercial fundraiser for the property.

(3) If the property was altered subsequent to the donation and the alteration affected the value of the property, a statement that the property was altered and whether the alteration increased or decreased the value of the property.

(d) The nonprofit organization or the commercial fundraiser shall retain a copy of the receipt for its records.

(e) The provisions of this section are severable. If any provision of this section or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.



Approved _____, 1998

Governor

