

(BRIEF) MEMORANDUM

RE SECTION 4 (REGISTRATION of CHARITABLE ENTITIES

TO Participants in NCCUSL Drafting Committee Meeting in Oct 09

FROM John McAvoy

Thinking, and hoping, that it may be helpful in saving time to flag my concern before the meeting Saturday:

I find two problems, one each in paragraphs (a) and (b), of Section 4.

1. In (a) the criteria for being required to register appears to be if a charitable entity is "established or active" in the state.

The word "active" is not defined. As such it seems (and may be intended) to include solicitations. We probably need some clarity on this in the statute itself, and not just in comment. In quickly skimming the Reporter's Comments, I did not see any discussion of this. Further, I am concerned with the question of solicitation through the internet and on a website, which obviously can be accessed by anyone anywhere using the internet. I think we need to try to be very clear as to what activities in a state trigger registration.

2. Paragraph (b), in addressing the foregoing question, says a charitable entity that has received "property for charitable purposes" (no mention in this section of a criteria of location of the property or the donor) shall register.

I think this needs (i) integration with paragraph (a), and (ii) greater certainty as to the reach of the statute's registration requirement. I do not have a "fix" to my concerns to propose.

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