An Act

ENROLLED SENATE
BILL NO. 772

By: Daniels of the Senate

and

Boatman, Lepak, and Hilbert
of the House

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

SUBJECT: Charitable organizations

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 552.24 of Title 18, unless there 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 fair market value in excess of Five Hundred Thousand Dollars ($500,000.00); and

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

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

1. Dissolution of the charitable organization;

2. Termination of the charitable organization;

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

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

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

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

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

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

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

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

F. In reviewing any event for which notice is required under subsection B or C of this section, the Attorney General shall consider, among other relevant factors as determined by the Attorney General, the value of the assets or interests transferred, the person or entity to which such transfer is made, the purpose of the transfer, the source of the assets, whether the assets consist of donated funds or property, the donors' intent to the extent it can be determined, and any expression of support by the board of directors and the voting members of the charitable organization that proposes to make the transfer.

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

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

Passed the Senate the 9th day of March, 2023.

Presiding Officer of the Senate

Passed the House of Representatives the 18th day of April, 2023.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 19th

day of April, 20 23, at 3:22 o'clock p. M.

By: Jumu Curry

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 26th

day of May, 20 23, at 4:14 o'clock p M.

By: Brian Bingman

MESSAGE FROM THE

OKLAHOMA STATE SENATE

5/26/2023

TO THE SECRETARY OF STATE

I am directed to inform you that the Senate has adopted the following and ordered same transmitted to you herewith:

Transmitting Enrolled **SB 772**, and advising that under the provisions of Article VI, Section 11 of the Constitution of the State of Oklahoma, the Senate and the House of Representatives has reconsidered and passed said Bill, over the Governor's Veto, by a two-thirds vote of each House.

By order of the Senate of the State of Oklahoma, this message is sent:

Respectfully,

PAUL ZIRIAX

Secretary, Oklahoma State Senate

Received by the Secretary of State

Date

By

RECEIVED
MAY 26 2023
OKLAHOMA SECRETARY OF STATE
4:14pm

7

15:08:00

OFFICE OF

THE GOVERNOR
STATE OF OKLAHOMA

No. SB 772

OKLAHOMA CITY, OKLA., April 25, 20 23

TIME SIGNED: 5:20 pm

TO THE HONORABLE PRESIDENT PRO TEMPORE
AND MEMBERS OF THE OKLAHOMA SENATE
FIRST REGULAR SESSION OF THE
FIFTY-NINTH OKLAHOMA LEGISLATURE

ENROLLED SENATE BILL NO. 772:

Pursuant to the authority vested in me by Section 11 of Article VI of the Oklahoma Constitution, I have vetoed Enrolled Senate Bill 772.

Enrolled Senate Bill 772 would add unnecessary layers of bureaucracy, grow government, create undue burdens on charitable organizations, and ultimately, lack meaningful measures of enforcement. Donors to charitable organizations should fairly expect that their generosity will be stewarded wisely; however, contributions are nonetheless made with associated risks that charitable organizations could dissolve, leave the state, or dispose of assets in lawful ways.

Moreover, while Enrolled Senate Bill 772 would allow for court review in certain enumerated circumstances, redress through court intervention is already available to address rogue organizations, charitable and otherwise. Further government involvement in this context is unnecessary.

For these reasons, I have vetoed Enrolled Senate Bill 772.

BY THE GOVERNOR OF THE STATE OF OKLAHOMA

Delivered to SENATE by: Summer Curry

Date/Time: 4/25/23; 5:33 pm

SENATE:

By Cindy Faulkner

Date/Time 4/25/23; 5:34 pm

5:41
RECEIVED
APR 25 2023
OKLAHOMA SECRETARY
OF STATE