

**PROPOSED REGULATION OF
THE SECRETARY OF STATE**

LCB File No. R147-13

January 10, 2014

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§1-4, NRS 82.417.

A REGULATION relating to soliciting charitable contributions; establishing the requirements for certain corporations that solicit charitable contributions to file for exemptions from registration and filing requirements; and providing other matters properly relating thereto.

Section 1. Chapter 82 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this regulation.

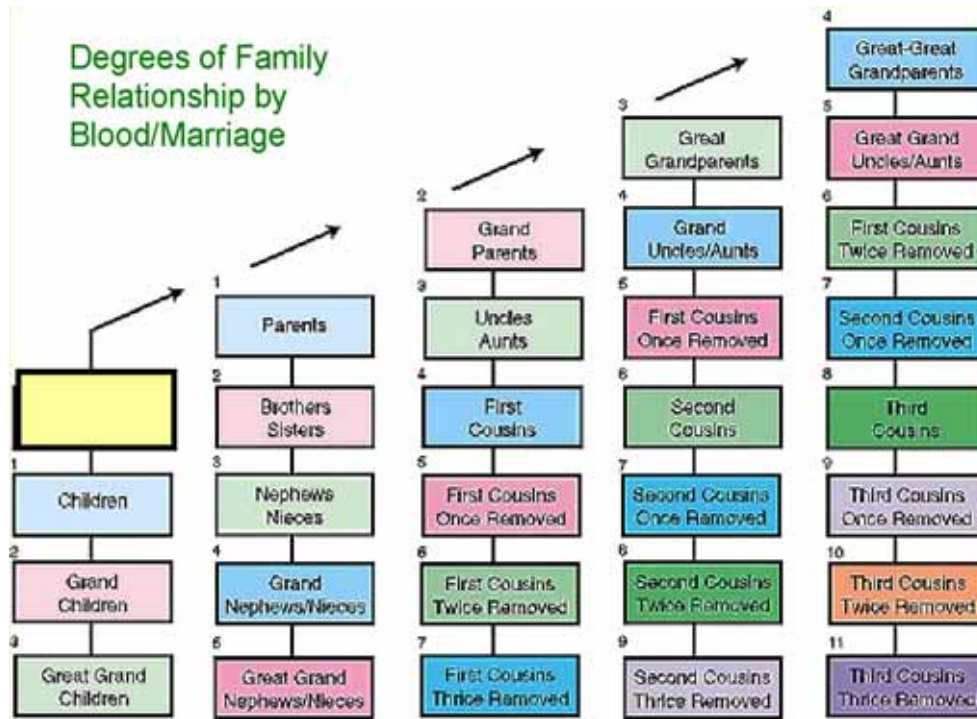
Sec. 2. *For the purposes of NRS 82.392:*

1. The Secretary of State will deem the purpose for which a corporation is organized, as required information pursuant to paragraph (d) of subsection 3 of that section, to be the same as the purpose set forth in the corporation's original articles of incorporation or amended articles of incorporation, as applicable.

2. The Secretary of State will interpret "fewer than 15 persons," as used in paragraph (b) of subsection 7 of that section, to mean that not more than 14 persons are solicited during each year for which the corporation files an annual list as required by subsection 3 of NRS 82.193.

3. The Secretary of State will determine relationships within the third degree of consanguinity or affinity pursuant to the following chart and instructions:

Consanguinity/Affinity Chart



INSTRUCTION:

For Consanguinity (relationship by blood) calculations:

Place the officers, directors, trustees or executive personnel for whom you need to establish relationships by consanguinity in the blank box. The labeled boxes will then list the relationship by title to the officers, directors, trustees or executive personnel and the degree of distance from the officers, directors, trustees or executive personnel.

Anyone in a box numbered 1, 2, or 3 is within the third degree of consanguinity.

For Affinity (relationship by marriage) calculations:

Place the spouse of the officers, directors, trustees or executive personnel for whom you need to establish relationships by affinity in the blank box. The labeled boxes will then list the relationship by title to the spouse and the degree of distance from the officers, directors, trustees or executive personnel by affinity.

A husband and wife are related in the first degree by marriage. For other relationships by marriage, the degree of relationship is the same as the degree of underlying relationship by blood.

Sec. 3. 1. A corporation which solicits or intends to solicit charitable contributions as defined in paragraph (b) of subsection 7 of NRS 82.392 may claim an exemption from the requirements of that section as they pertain to registration and filing if:

(a) The corporation:

(1) Meets the criteria to qualify as a religious organization pursuant to 26 U.S.C. § 501(c) and any federal regulations relating thereto;

(2) Solicits a total of not more than 14 persons during each year for which the corporation files an annual list as required by subsection 3 of NRS 82.193; or

(3) Directs solicitations only to persons who are related within the third degree of consanguinity or affinity to the officers, directors, trustees or executive personnel of the corporation.

(b) The corporation files a statement of exemption on a form prescribed by the Secretary of State.

2. A statement of exemption must:

(a) Specify the reason for the exemption; and

(b) Be filed at the time the corporation files its initial or annual list pursuant to subsection 3 of NRS 82.193.

3. The form for a statement of exemption must include, without limitation:

(a) The name of the corporation as filed with the Secretary of State;

(b) The exact name of the corporation as registered with the Internal Revenue Service, if different from that registered with the Secretary of State;

(c) The federal tax identification number of the corporation;

(d) The tax exempt status of the corporation;

(e) A provision allowing the corporation to indicate one or more of the reasons for exemption as set forth in subsection 1; and

(f) The signature of an officer of the corporation certifying, under penalty of perjury, that the information contained in the statement of exemption is true, complete and accurate.

Sec. 4. Section 3 of LCB File No. R068-13 is hereby amended to read as follows:

Sec. 3. 1. The form prescribed by the Secretary of State pursuant to section 3 of Assembly Bill No. 60, chapter 192, Statutes of Nevada 2013, at page 719 (NRS 82.392)

~~must~~ *may* offer a corporation the option of:

(a) Providing the Internet address of a website which may be accessed via the Nevada Business Search web page on the Internet website of the Secretary of State. The Internet address provided by the corporation must be:

- (1) The official website of the corporation; and
- (2) Kept active and maintained by the corporation.

(b) Certifying that all funds received by the corporation will be used in compliance with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT ACT) of 2001, Public Law 107-56.

2. For the purpose of providing the financial information required by sections 3 and 4 of Assembly Bill No. 60, chapter 192, Statutes of Nevada 2013, at pages 719 and 720 (NRS 82.392 and 82.397):

(a) A corporation which intends to solicit charitable contributions must provide on the form prescribed by the Secretary of State pursuant to section 3 of Assembly Bill No. 60, chapter 192, Statutes of Nevada 2013, at page 719 (NRS 82.392) the following information as reported to the Internal Revenue Service for the most recent fiscal year:

(1) Total revenue, as reported on line 12 of Form 990 or on line 9 of Form 990-EZ;

(2) Total expenses, as reported on line 18 of Form 990 or on line 17 of Form 990-EZ;

(3) Revenue less expenses, as reported on line 19 of Form 990, or Excess (or deficit) for the year, as reported on line 18 of Form 990-EZ;

(4) Total assets, as reported on line 20 of Form 990 or on line 25 of Form 990-EZ;

(5) Total liabilities, as reported on line 21 of Form 990 or on line 26 of Form 990-EZ; and

(6) Net assets or fund balances, as reported on line 22 of Form 990 or on line 27 of Form 990-EZ.

(b) If a corporation is not required to file a Form 990 or Form 990-EZ, but filed a Form 990-N or was first formed within the past year and does not have any financial information available, the corporation must check the box provided on the form prescribed by the

Secretary of State to indicate that the corporation is providing good faith estimates based on the records of the corporation.

3. The form prescribed by the Secretary of State pursuant to section 3 of Assembly Bill No. 60, chapter 192, Statutes of Nevada 2013, at page 719 (NRS 82.392) must be signed under penalty of perjury by the person who provided the information contained in the form stating that the information is true and accurate to the best of the person's knowledge.