

SENATE BILL 551 (LRB -4199)

An Act to amend 440.42 (3) (a) (intro.), 440.42 (3) (b) and 440.42 (8); and to create 440.42 (3) (bm) of the statutes; relating to: reporting requirements for certain charitable organizations. (FE)

2008

- 02-29. S. Introduced by Senators **Sullivan, Grothman, Darling and Olsen**; cosponsored by Representatives **Strachota, Nass, Kerkman, Hahn, Mursau, Townsend, Bies and Gunderson**.
- 02-29. S. Read first time and referred to committee on Labor, Elections and Urban Affairs.
- 03-05. S. Withdrawn from committee on Labor, Elections and Urban Affairs and rereferred to committee on Veterans and Military Affairs, Biotechnology and Financial Institutions, pursuant to Senate Rule 46 (2)(c).
- 03-10. S. Public hearing held.
- 03-10. S. Executive action taken.
- 03-11. S. Report passage recommended by committee on Veterans and Military Affairs, Biotechnology and Financial Institutions, Ayes 5, Noes 0 2
- 03-11. S. Available for scheduling.
- 03-11. S. Placed on calendar 3-12-2008 by committee on Senate Organization.
- 03-12. S. Fiscal estimate received.
- 03-12. S. Read a second time.
- 03-12. S. Ordered to a third reading.
- 03-12. S. Rules suspended.
- 03-12. S. Read a third time and **passed**.
- 03-12. S. Ordered immediately messaged.
- 03-12. A. Received from Senate.
- 03-12. A. Read.
- 03-12. A. Rules suspended and taken up.
- 03-12. A. Read a second time.
- 03-12. A. Ordered to a third reading.
- 03-12. A. Rules suspended.
- 03-12. A. Read a third time and **concurred in**.
- 03-12. A. Ordered immediately messaged.
- 03-13. S. Received from Assembly concurred in.

9MB

**2007
ENROLLED BILL**

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ADOPTED DOCUMENTS:

Orig Engr SubAmdt

07 4199 / 1

Amendments to above (if none, write "NONE"): None

Corrections - show date (if none, write "NONE"): None

Topic Rel

3-13-08 J. R. Miller
Date Enrolling Drafter

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2007 SENATE BILL 551

February 29, 2008 - Introduced by Senators SULLIVAN, GROTHMAN, DARLING and OLSEN, cosponsored by Representatives STRACHOTA, NASS, KERKMAN, HAHN, MURSAU, TOWNSEND, BIES and GUNDERSON. Referred to Committee on Labor, Elections and Urban Affairs.

1 **AN ACT to amend** 440.42 (3) (a) (intro.), 440.42 (3) (b) and 440.42 (8); and **to**
2 **create** 440.42 (3) (bm) of the statutes; **relating to:** reporting requirements for
3 certain charitable organizations.

Analysis by the Legislative Reference Bureau

Under current law, charitable organizations are regulated by the Department of Regulation and Licensing (department). Generally, if a charitable organization received more than \$5,000 in contributions in its most recently completed fiscal year, the organization must file an annual financial statement with the department. If a charitable organization received more than \$100,000 in contributions in its most recently completed fiscal year, the organization must instead file an audited financial statement and an opinion on the statement from an independent certified public accountant.

Under this bill, a charitable organization must file an audited financial statement and an accountant's opinion if the charitable organization received more than \$400,000 in contributions in its most recently completed fiscal year. If a charitable organization received between \$200,000 and \$400,000 in its most recently completed fiscal year, the charitable organization must file a financial statement and a review of the statement by an independent certified public accountant.

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 440.42 (3) (a) (intro.) of the statutes is amended to read:

2 440.42 (3) (a) (intro.) Except as provided in pars. (am) and, (b), and (bm), and
3 in rules promulgated under sub. (8), a charitable organization that received
4 contributions in excess of \$5,000 during its most recently completed fiscal year shall
5 file with the department an annual financial report for the charitable organization's
6 most recently completed fiscal year. The department shall prescribe the form of the
7 report and shall prescribe standards for its completion. The annual financial report
8 shall be filed within 6 months after the end of that fiscal year and shall include all
9 of the following:

10 **SECTION 2.** 440.42 (3) (b) of the statutes is amended to read:

11 440.42 (3) (b) Except as provided in rules promulgated under sub. (8), ~~in lieu~~
12 ~~of filing a report under par. (a),~~ if a charitable organization that received
13 contributions in excess of \$100,000 \$400,000 during its most recently completed
14 fiscal year, the charitable organization shall file with the department, in lieu of a
15 report under par. (a), an audited financial statement for the charitable organization's
16 most recently completed fiscal year, prepared in accordance with generally accepted
17 accounting principles, and the opinion of an independent certified public accountant
18 on the financial statement. The audited financial statement shall be filed within 6
19 months after the end of that fiscal year.

20 **SECTION 3.** 440.42 (3) (bm) of the statutes is created to read:

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1 440.42 (3) (bm) Except as provided in rules promulgated under sub. (8), if a
2 charitable organization received contributions in excess of \$200,000 but less than
3 \$400,000 during its most recently completed fiscal year, the charitable organization
4 shall file with the department, in lieu of a report under par. (a), a financial statement
5 for the charitable organization's most recently completed fiscal year, prepared in
6 accordance with generally accepted accounting principles, and a review of the
7 financial statement by an independent certified public accountant. The financial
8 statement shall be filed within 6 months after the end of that fiscal year.

9 **SECTION 4.** 440.42 (8) of the statutes is amended to read:

10 440.42 (8) CONTRIBUTION LIMITS. The department may promulgate rules that
11 adjust the ~~\$5,000 limit~~ threshold amounts in subs. (3) (a), (b), (bm), and (c) and (5)
12 (a) 3. and (b) ~~and the \$100,000 limit in sub. (3) (b) to account for inflation.~~

13

(END)