

SENATE CONSERVATION COMMITTEE SUBSTITUTE FOR  
SENATE BILL 698

**52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015**

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;  
EXEMPTING CERTAIN PRIVATE FOUNDATIONS FROM AN AUDIT REQUIRED BY  
THE CHARITABLE SOLICITATIONS ACT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

**SECTION 1.** Section 57-22-6 NMSA 1978 (being Laws 1983,  
Chapter 140, Section 6, as amended) is amended to read:

"57-22-6. FILING OF REQUIRED DOCUMENTS.--

A. A charitable organization existing, operating or  
soliciting in the state, unless exempted by Section 57-22-4  
NMSA 1978, shall register with the attorney general on a form  
provided by the attorney general; correct any deficiencies in  
its registration upon notice of deficiencies provided by the  
attorney general; and provide a copy of its IRS Form 1023 or  
IRS Form 1024 application for exempt status with its

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underscored material = new  
[bracketed material] = delete

1 registration.

2 B. The attorney general shall notify each  
3 charitable organization required to register within ten  
4 business days of [~~his~~] receipt of the registration form of any  
5 deficiencies in the registration and may make rules in  
6 accordance with the State Rules Act, as are necessary for the  
7 proper administration of this section, including:

8 (1) requirements for filing additional  
9 information, including disclosure of professional fundraising  
10 counsel retained by the charitable organization; and

11 (2) provisions for suspending the filing of  
12 reports or granting an exemption from the registration and  
13 reporting requirements of this section for a charitable  
14 organization subject to audit, registration, charter or other  
15 requirements of a statewide, regional or national association  
16 and if it is determined that such reports or registration is  
17 not necessary for the protection of the public interest.

18 C. In addition to any other reporting requirements  
19 pursuant to the Charitable Solicitations Act, every charitable  
20 organization that has received tax-exempt status pursuant to  
21 Section 501(c)(3) of the federal Internal Revenue Code of 1986,  
22 as amended, and that is required to file a Form 990, 990EZ or  
23 990PF pursuant to the Internal Revenue Code of 1986, as  
24 amended, shall file that form and the accompanying schedule A  
25 annually with the office of the attorney general up to six

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1 months following the close of the charitable organization's  
 2 fiscal year. Extensions of time for filing may be allowed at  
 3 the discretion of the attorney general for good cause shown.  
 4 Such forms shall be public records and available for public  
 5 inspection. Organizations that do not file a Form 990, 990EZ  
 6 or 990PF pursuant to the Internal Revenue Code of 1986, as  
 7 amended, shall file an annual report, under oath, on the form  
 8 provided by the attorney general for that purpose. A  
 9 charitable organization that received total revenue in excess  
 10 of five hundred thousand dollars (\$500,000) shall be audited by  
 11 an independent certified public accountant; provided that, a  
 12 charitable organization that is a private grant-making or  
 13 nonoperating foundation whose primary activity is making grants  
 14 to other charitable organizations for exempt purposes and  
 15 generally does not solicit public support shall not be subject  
 16 to an audit pursuant to this subsection. Audits shall be  
 17 performed in accordance with generally ~~acceptable~~ accepted  
 18 accounting principles. A charitable organization shall correct  
 19 any deficiencies in an annual report upon notice of  
 20 deficiencies provided by the attorney general.

21 D. A charitable organization that fails to register  
 22 before a solicitation is made or fails to timely file its tax  
 23 filings with the attorney general pursuant to Subsection C of  
 24 this section may be assessed a late filing fee of one hundred  
 25 dollars (\$100).

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1 E. The attorney general may accept information  
2 filed by a charitable organization with another state or the  
3 federal government in lieu of the registration and reporting  
4 requirements of the Charitable Solicitations Act if such  
5 information is determined by the attorney general to be in  
6 substantial compliance with the registration and reporting  
7 requirements of that act."