

State of Arkansas
94th General Assembly
Regular Session, 2023

A Bill

HOUSE BILL 1532

By: Representative G. Hodges

By: Senator J. Boyd

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING CHARITABLE ORGANIZATIONS; TO MODIFY THE REQUIREMENTS CONCERNING ANNUAL FINANCIAL REPORTS OF CHARITABLE ORGANIZATIONS; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING CHARITABLE ORGANIZATIONS; AND TO MODIFY THE REQUIREMENTS CONCERNING ANNUAL FINANCIAL REPORTS OF CHARITABLE ORGANIZATIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 4-28-403(b), concerning the gross revenue threshold of a charitable organization to submit an audit report, is amended to read as follows:

(b)(1) A charitable organization with ~~gross revenue~~ contributions in excess of ~~five hundred thousand dollars (\$500,000)~~ in any one million dollars (\$1,000,000) during its preceding fiscal year ~~it is registered~~ shall ~~include with its submission of the annual financial report and tax records referred to in subdivision (a)(1) of this section~~ file an audit report of a audited financial statement prepared by an independent certified public accountant.

(2) ~~For purposes of this section, "gross revenue" does not include grants or fees from government agencies~~ A charitable organization with contributions in excess of five hundred thousand dollars (\$500,000) but less than one million dollars (\$1,000,000) during its preceding fiscal year



shall have its financial statement reviewed by an independent certified public accountant.

SECTION 2. Arkansas Code § 4-28-403(d), concerning the ability of the Secretary of State to grant an extension to a charitable organization to file tax records and other reports, is amended to read as follows:

(d)(1) The Secretary of State may grant an extension of time not to exceed six (6) months for the filing of the tax records and other reports required by this section upon the charitable organization's filing a notice that states the need for an extension.

(2) The Secretary of State may grant a charitable organization an additional three (3) months extension of time under subdivision (d)(1) of this section upon written request by the charitable organization.

SECTION 3. Arkansas Code § 4-28-404(6), concerning the exemption of charitable organizations, is amended to read as follows:

(6) Any charitable organization which does not intend to solicit and receive, and does not actually receive, contributions in excess of ~~twenty-five thousand dollars (\$25,000)~~ fifty thousand dollars (\$50,000) during a calendar year:

(A) If all of its functions, including its fund-raising functions, are carried on by persons who are unpaid for their services; and

(B) Provided that no part of its assets or income inures to the benefit of or is paid to any officer or member; and

APPROVED: 3/21/23