

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7774**

**BILL NUMBER:** SB 424

**NOTE PREPARED:** Feb 21, 2005

**BILL AMENDED:** Feb 17, 2005

**SUBJECT:** Professional fundraisers.

**FIRST AUTHOR:** Sen. Clark

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:**  **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) The bill defines the term "bona fide employee" for purposes of professional fundraisers. It requires a professional solicitor to provide certain information to charitable organizations. The bill allows the Attorney General to seek certain remedies against nonprofit corporations and benevolent trusts and to recover attorney's fees and costs if successful. It also provides that venue in a proceeding by the Attorney General against a trust lies in Marion County, unless venue in Marion County would be hardship for the trust..

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** (Revised) This bill will have an indeterminable administrative cost impact on the Attorney General's Office (AG).

This bill allows the AG to seek remedies against nonprofit corporations and benevolent trusts for violations of the following:

- (1) If the AG establishes a condition enumerated in section 24-17-24-1(a)(1) of this chapter, against a corporation.
- (2) For a violation of the officer's duties under IC 23-17-14-2, a corporate officer.
- (3) For a violation of IC 23-17-13, a corporate director.

This bill also provides that venue for these actions lies in Marion County, unless a court determines that venue in Marion County would be a hardship for the trustee or a trust. The bill also provides that if the AG is

successful in the action, they can recover attorney's fees and costs.

The administrative cost impact to the AG will depend upon the number of actions filed, and the number of filed actions that are successful.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. In FY 2004 the AG reverted \$7,235, and as of December 27, 2004 had 43 vacant positions. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Attorney General's Office

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Adam Brown, 317-232-9854.