CHAPTER 123

AN ACT concerning fund raising activities of certain charitable organizations and amending P.L.1994, c.16.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. Section 15 of P.L.1994, c.16 (C.45:17A-32) is amended to read as follows:

C.45:17A-32 Statements required to be truthful; coercion prohibited; unlawful acts; practices.

15. a. Any statement, whether oral or written, made by a charitable organization, or on behalf of a charitable organization by persons including, but not limited to commercial co-venturers, fund raising counsels, independent paid fund raisers or solicitors shall be truthful.

b. A charitable organization shall establish and exercise control over fund raising activities conducted for its benefit, including approval of all written contracts and agreements, and shall assure that fund raising activities are conducted without coercion.

c. The following acts and practices are declared unlawful as applied to the planning, conduct, or execution of any solicitation or charitable sales promotion:

(1) To misrepresent the purpose or nature of the charitable institution or the purpose or beneficiary of a solicitation; to solicit contributions for a purpose other than the charitable purpose expressed in the statement of the charitable organization or expend contributions in a manner inconsistent with that purpose, or to fail to disclose any material fact. A misrepresentation may be accomplished by words or conduct;

(2) To violate or fail to comply with any of the applicable provisions of this act or the rules adopted under authority of this act;

(3) To violate or fail to comply with any of the applicable provisions of the consumer fraud law, P.L.1960, c.39 (C.56:8-1 et seq.) or the regulations adopted pursuant to that act;

(4) To utilize a name, symbol or statement so closely related or similar to that used by another charitable organization and registered by that organization with the United States Patent and Trademark Office or registered pursuant to R.S.56:2-1 et seq. that its use would tend to confuse or mislead a solicited person or to solicit contributions in a manner or through representations that falsely imply or are likely to create the mistaken belief that the contributions are solicited by or on behalf of another charitable organization;

(5) To utilize or exploit registration so as to lead any person to believe that registration constitutes or implies an endorsement or approval by the State;

(6) To distribute honorary membership or courtesy cards or cards of a similar nature identifying the organization in connection with or in any manner related to the solicitation of funds or contributions for or on behalf of the organization in the case of any charitable organization that limits its membership to persons who are or formerly were employed as officers statutorily authorized to enforce the criminal laws of this State or that is a parent organization that includes local units that so limit membership;

(7) To utilize information, statements or communications that, although literally true, are presented in a manner that has the capacity to mislead the average consumer; and

(8) To engage in other unlawful acts and practices as may be determined by rules adopted by the Attorney General.

d. It shall be unlawful for any charitable organization to enter into any contract with any person who is required to have registered and failed to do so.

e. It shall be unlawful for any person to represent that tickets to events will be donated by another, unless the following requirements have been met:

(1) The fund raising counsel or independent paid fund raiser shall obtain commitments, in writing and notarized, from charitable organizations stating that they will accept donated tickets and specifying the number of tickets they are willing to accept and for which they are able to provide transportation; copies of such written commitments shall be filed with the Attorney General;

(2) The independent paid fund raiser has taken measures to prevent solicitation of contributions for donated tickets in excess of the number of ticket commitments received from charitable organizations; and

(3) The number of tickets sold will not be greater than the number of seats available at the facility for each event or performance.

2. This act shall take effect immediately, and shall apply to all causes of action accruing after the effective date.

Approved November 9, 1998.