

SB1599



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1599

Introduced 2/4/2025, by Sen. Jil Tracy

SYNOPSIS AS INTRODUCED:

225 ILCS 460/4
760 ILCS 55/7

from Ch. 23, par. 5104
from Ch. 14, par. 57

Amends the Solicitation of Charity Act and the Charitable Trust Act. Requires the Attorney General to accept reports that are required under these Acts electronically. Effective immediately.

LRB104 08999 JRC 19055 b

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Solicitation for Charity Act is amended by
5 changing Section 4 as follows:

6 (225 ILCS 460/4) (from Ch. 23, par. 5104)

7 Sec. 4. Annual reporting for charities.

8 (a) Every charitable organization registered pursuant to
9 Section 2 of this Act which shall receive in any 12-month
10 period ending upon its established fiscal or calendar year
11 contributions in excess of \$500,000 and every charitable
12 organization whose fund raising functions are not carried on
13 solely by staff employees or persons who are unpaid for such
14 services, if the organization shall receive in any 12-month
15 period ending upon its established fiscal or calendar year
16 contributions in excess of \$25,000, shall file a written
17 report with the Attorney General upon forms prescribed by him
18 or her, on or before June 30 of each year if its books are kept
19 on a calendar basis, or within 6 months after the close of its
20 fiscal year if its books are kept on a fiscal year basis, which
21 written report shall include a financial statement covering
22 the immediately preceding 12-month period of operation. Such
23 financial statement shall include a balance sheet and

1 statement of income and expense, and shall be consistent with
2 forms furnished by the Attorney General clearly setting forth
3 the following: gross receipts and gross income from all
4 sources, broken down into total receipts and income from each
5 separate solicitation project or source; cost of
6 administration; cost of solicitation; cost of programs
7 designed to inform or educate the public; funds or properties
8 transferred out of this State, with explanation as to
9 recipient and purpose; cost of fundraising; compensation paid
10 to trustees; and total net amount disbursed or dedicated for
11 each major purpose, charitable or otherwise. Such report shall
12 also include a statement of any changes in the information
13 required to be contained in the registration form filed on
14 behalf of such organization. The report shall be signed by the
15 president or other authorized officer and the chief fiscal
16 officer of the organization who shall certify that the
17 statements therein are true and correct to the best of their
18 knowledge, and shall be accompanied by an opinion signed by an
19 independent certified public accountant that the financial
20 statement therein fairly represents the financial operations
21 of the organization in sufficient detail to permit public
22 evaluation of its operations. Said opinion may be relied upon
23 by the Attorney General.

24 (b) Every organization registered pursuant to Section 2 of
25 this Act which shall receive in any 12-month period ending
26 upon its established fiscal or calendar year of any year

1 contributions:

2 (1) in excess of \$15,000, but not in excess of
3 \$25,000, during a fiscal year shall file only a simplified
4 summary financial statement disclosing only the gross
5 receipts, total disbursements, and assets on hand at the
6 end of the year on forms prescribed by the Attorney
7 General;

8 (2) in excess of \$25,000, but not in excess of
9 \$300,000, if it is not required to submit a report under
10 subsection (a) of this Section, shall file a written
11 report with the Attorney General upon forms prescribed by
12 him, on or before June 30 of each year if its books are
13 kept on a calendar basis, or within 6 months after the
14 close of its fiscal year if its books are kept on a fiscal
15 year basis, which shall include a financial statement
16 covering the immediately preceding 12-month period of
17 operation limited to a statement of such organization's
18 gross receipts from contributions, the gross amount
19 expended for charitable educational programs, other
20 charitable programs, management expense, and fund raising
21 expenses including a separate statement of the cost of any
22 goods, services, or admissions supplied as part of its
23 solicitations, and the disposition of the net proceeds
24 from contributions, including compensation paid to
25 trustees, consistent with forms furnished by the Attorney
26 General. Such report shall also include a statement of any

1 changes in the information required to be contained in the
2 registration form filed on behalf of such organization.
3 The report shall be signed by the president or other
4 authorized officer and the chief fiscal officer of the
5 organization who shall certify that the statements therein
6 are true and correct to the best of their knowledge; or

7 (3) in excess of \$300,000, but not in excess of
8 \$500,000, if it is not required to submit a report under
9 subsection (a), shall file a written report with the
10 Attorney General upon forms prescribed by the Attorney
11 General, on or before June 30 of each year if its books are
12 kept on a calendar basis, or within 6 months after the
13 close of its fiscal year if its books are kept on a fiscal
14 year basis, which written report shall include a financial
15 statement covering the immediately preceding 12-month
16 period of operation limited to a statement of such
17 organization's gross receipts from contributions, the
18 gross amount expended for charitable educational programs,
19 other charitable programs, management expense, and fund
20 raising expenses, including a separate statement of the
21 cost of any goods, services, or admissions supplied as
22 part of its solicitations, and the disposition of the net
23 proceeds from contributions, including compensation paid
24 to trustees, consistent with forms furnished by the
25 Attorney General. Such report shall also include a
26 statement of any changes in the information required to be

1 contained in the registration form filed on behalf of such
2 organization. The report shall be signed by the president
3 or other authorized officer and the chief fiscal officer
4 of the organization who shall certify that the statements
5 therein are true and correct to the best of their
6 knowledge and shall be accompanied by reviewed financial
7 statements, including a report signed by an independent
8 certified public accountant stating that the independent
9 certified public accountant is not aware of any material
10 modifications that should be made to the financial
11 statements in order to permit public evaluation of its
12 operations. The report may be relied upon by the Attorney
13 General.

14 (c) For any fiscal or calendar year of any organization
15 registered pursuant to Section 2 of this Act in which such
16 organization would have been exempt from registration pursuant
17 to Section 3 of this Act if it had not been so registered, or
18 in which it did not solicit or receive contributions, such
19 organization shall file, on or before June 30 of each year if
20 its books are kept on a calendar basis, or within 6 months
21 after the close of its fiscal year if its books are kept on a
22 fiscal year basis, instead of the reports required by
23 subdivisions (a) or (b) of this Section, a statement certified
24 under penalty of perjury by its president and chief fiscal
25 officer stating the exemption and the facts upon which it is
26 based or that such organization did not solicit or receive

1 contributions in such fiscal year. The statement shall also
2 include a statement of any changes in the information required
3 to be contained in the registration form filed on behalf of
4 such organization.

5 (d) As an alternative means of satisfying the duties and
6 obligations otherwise imposed by this Section, any veterans
7 organization chartered or incorporated under federal law and
8 any veterans organization which is affiliated with, and
9 recognized in the bylaws of, a congressionally chartered or
10 incorporated organization may, at its option, annually file
11 with the Attorney General the following documents:

12 (1) A copy of its Form 990, as filed with the Internal
13 Revenue Service.

14 (2) Copies of any reports required to be filed by the
15 affiliate with the congressionally chartered or
16 incorporated veterans organization, as well as copies of
17 any reports filed by the congressionally chartered or
18 incorporated veterans organization with the government of
19 the United States pursuant to federal law.

20 (3) Copies of all contracts entered into by the
21 congressionally chartered or incorporated veterans
22 organization or its affiliate for purposes of raising
23 funds in this State, such copies to be filed with the
24 Attorney General no more than 30 days after execution of
25 the contracts.

26 (e) As an alternative means of satisfying all of the

1 duties and obligations otherwise imposed by this Section, any
2 person, pursuant to a contract with a charitable organization,
3 a veterans organization, or an affiliate described or referred
4 to in subsection (d) who receives, collects, holds, or
5 transports as the agent of the organization or affiliate for
6 purposes of resale any used or second hand personal property,
7 including, but not limited to, household goods, furniture, or
8 clothing donated to the organization or affiliate may, at its
9 option, annually file with the Attorney General the following
10 documents, accompanied by an annual filing fee of \$15:

11 (1) A notarized report including the number of
12 donations of personal property it has received on behalf
13 of the charitable organization, veterans organization, or
14 affiliate during the preceding year. For purposes of this
15 report, the number of donations of personal property shall
16 refer to the number of stops or pickups made regardless of
17 the number of items received at each stop or pickup. The
18 report may cover the person's fiscal year, in which case
19 it shall be filed with the Attorney General no later than
20 90 days after the close of that fiscal year.

21 (2) All contracts with the charitable organization,
22 veterans organization, or affiliate under which the person
23 has acted as an agent for the purposes listed above.

24 (3) All contracts by which the person agreed to pay
25 the charitable organization, veterans organization, or
26 affiliate a fixed amount for, or a fixed percentage of the

1 value of, each donation of used or second hand personal
2 property. Copies of all such contracts shall be filed no
3 later than 30 days after they are executed.

4 (f) The Attorney General may seek appropriate equitable
5 relief from a court, enter into a binding nonjudicial
6 settlement agreement, or cancel the registration of any
7 organization which fails to comply with subsection (a), (b),
8 or (c) of this Section within the time therein prescribed, or
9 fails to furnish such additional information as is requested
10 by the Attorney General within the required time; except that
11 the time may be extended by the Attorney General for a period
12 not to exceed 60 days upon a timely written request and for
13 good cause stated. Unless otherwise stated herein, the
14 Attorney General shall, by rule, set forth the standards used
15 to determine whether a registration shall be cancelled as
16 authorized by this subsection. Such standards shall be stated
17 as precisely and clearly as practicable, to inform fully those
18 persons affected. Notice of such cancellation shall be mailed
19 to the registrant at least 15 days before the effective date
20 thereof.

21 (g) The Attorney General in his or her discretion may,
22 pursuant to rule, accept executed copies of federal Internal
23 Revenue returns and reports as a portion of the foregoing
24 annual reporting in the interest of minimizing paperwork,
25 except there shall be no substitute for the independent
26 certified public accountant audit opinion required by this

1 Act.

2 (h) The Attorney General after canceling the registration
3 of any trust or organization which fails to comply with this
4 Section within the time therein prescribed may by court
5 proceedings, in addition to all other relief, seek to collect
6 the assets and distribute such under court supervision to
7 other charitable purposes.

8 (h-5) The Attorney General, within a binding nonjudicial
9 settlement agreement, may accept a written assurance of
10 discontinuance of any method, act, or practice alleged to be a
11 violation of subsection (a), (b), or (c) from the person who
12 has engaged in the method, act, or practice. The Attorney
13 General may at any time reopen a matter in which an assurance
14 of discontinuance is accepted for further proceedings if the
15 Attorney General determines that reopening the matter is in
16 the public interest. Evidence of a violation of an assurance
17 of discontinuance is prima facie evidence of a violation of
18 this Act in any subsequent proceeding brought by the Attorney
19 General.

20 (i) Every trustee, person, and organization required to
21 file an annual report shall pay a filing fee of \$15 with each
22 annual financial report filed pursuant to this Section. If a
23 proper and complete annual report is not timely filed, a late
24 filing fee of an additional \$100 is imposed and shall be paid
25 as a condition of filing a late report. Reports submitted
26 without the proper fee shall not be accepted for filing.

1 Payment of the late filing fee and acceptance by the Attorney
2 General shall both be conditions of filing a late report. All
3 late filing fees shall be used to provide charitable trust
4 enforcement and dissemination of charitable trust information
5 to the public and shall be maintained in a separate fund for
6 such purpose known as the Illinois Charity Bureau Fund.

7 (j) There is created hereby a separate special fund in the
8 State treasury to be known as the Illinois Charity Bureau
9 Fund. That Fund shall be under the control of the Attorney
10 General, and the funds, fees, and penalties deposited therein
11 shall be used by the Attorney General to enforce the
12 provisions of this Act and to gather and disseminate
13 information about charitable trustees and organizations to the
14 public.

15 (j-5) By January 1, 2026, the Attorney General must offer
16 charitable organizations the option of filing reports or
17 statements required under this Section electronically .

18 (k) The changes made to this Section by this amendatory
19 Act of the 103rd General Assembly are inoperative on and after
20 January 1, 2029.

21 (Source: P.A. 103-121, eff. 1-1-24.)

22 Section 10. The Charitable Trust Act is amended by
23 changing Section 7 as follows:

24 (760 ILCS 55/7) (from Ch. 14, par. 57)

1 Sec. 7. (a) Except as otherwise provided, every trustee
2 subject to this Act shall, in addition to filing copies of the
3 instruments previously required, file with the Attorney
4 General periodic annual written reports under oath, setting
5 forth information as to the nature of the assets held for
6 charitable purposes and the administration thereof by the
7 trustee, in accordance with rules and regulations of the
8 Attorney General. By January 1, 2026, the Attorney General
9 must offer trustees the option of filing the periodic reports
10 required under this Section electronically.

11 (b) The Attorney General shall make rules and regulations
12 as to the time for filing reports, the contents thereof, and
13 the manner of executing and filing them. He may classify
14 trusts and other relationships concerning property held for a
15 charitable purpose as to purpose, nature of assets, duration
16 of the trust or other relationship, amount of assets, amounts
17 to be devoted to charitable purposes, nature of trustee, or
18 otherwise, and may establish different rules for the different
19 classes as to time and nature of the reports required to the
20 ends (1) that he shall receive reasonably current, annual
21 reports as to all charitable trusts or other relationships of
22 a similar nature, which will enable him to ascertain whether
23 they are being properly administered, and (2) that periodic
24 reports shall not unreasonably add to the expense of the
25 administration of charitable trusts and similar relationships.
26 The Attorney General may suspend the filing of reports as to a

1 particular charitable trust or relationship for a reasonable,
2 specifically designated time upon written application of the
3 trustee filed with the Attorney General and after the Attorney
4 General has filed in the register of charitable trusts a
5 written statement that the interests of the beneficiaries will
6 not be prejudiced thereby and that periodic reports are not
7 required for proper supervision by his office.

8 (c) A copy of an account filed by the trustee in any court
9 having jurisdiction of the trust or other relationship, if the
10 account has been approved by the court in which it was filed
11 and notice given to the Attorney General as an interested
12 party, may be filed as a report required by this Section.

13 (d) The first report for a trust or similar relationship
14 hereafter established, unless the filing thereof is suspended
15 as herein provided, shall be filed not later than one year
16 after any part of the income or principal is authorized or
17 required to be applied to a charitable purpose. If any part of
18 the income or principal of a trust previously established is
19 authorized or required to be applied to a charitable purpose
20 at the time this Act takes effect, the first report, unless the
21 filing thereof is suspended, shall be filed within 6 months
22 after the effective date of this Act. In addition, every
23 trustee registered hereunder that received more than \$25,000
24 in revenue during a trust fiscal year or has possession of more
25 than \$25,000 of assets at any time during a fiscal year shall
26 file an annual financial report within 6 months of the close of

1 the trust's or organization's fiscal year, and if a calendar
2 year the report shall be due on each June 30 of the following
3 year. Every trustee registered hereunder that did not receive
4 more than \$25,000 in revenue or hold more than \$25,000 in
5 assets during a fiscal year shall file only a simplified
6 summary financial statement disclosing only the gross
7 receipts, total disbursements, and assets on hand at the end
8 of the year, on forms prescribed by the Attorney General.

9 (e) The periodic reporting provisions of this Act do not
10 apply to any trustee of a trust which is the subject matter of
11 an adversary proceeding pending in the circuit court in this
12 State. However, upon commencement of the proceeding the
13 trustee shall file a report with the Attorney General
14 informing him of that fact together with the title and number
15 of the cause and the name of the court. Upon entry of final
16 judgment in the cause the trustee shall in like manner report
17 that fact to the Attorney General and fully account for all
18 periods of suspension.

19 (f) The Attorney General in his discretion may, pursuant
20 to rules and regulations promulgated by the Attorney General,
21 accept executed copies of federal Internal Revenue returns and
22 reports as a portion of the annual reporting. The report shall
23 include a statement of any changes in purpose or any other
24 information required to be contained in the registration form
25 filed on behalf of the organization. The report shall be
26 signed under penalty of perjury by the president and the chief

1 fiscal officer of any corporate organization or by 2 trustees
2 if not a corporation. One signature shall be accepted if there
3 is only one officer or trustee.

4 (g) The Attorney General shall cancel the registration of
5 any trust or organization that wilfully fails to comply with
6 subsections (a), (b), (c) or (d) of this Section within the
7 time prescribed, and the assets of the organization may
8 through court proceedings be collected, debts paid and
9 proceeds distributed under court supervision to other
10 charitable purposes upon an action filed by the Attorney
11 General as law and equity allow. Upon timely written request,
12 the due date for filing may be extended by the Attorney General
13 for a period of 60 days. Notice of registration cancellation
14 shall be mailed by regular mail to the registrant at the
15 registration file address or to its registered agent or
16 president 21 days before the effective date of the
17 cancellation. Reports submitted after registration is canceled
18 shall require reregistration.

19 (h) Every trustee registered hereunder that received in
20 any fiscal year more than \$25,000 in revenue or held more than
21 \$25,000 in assets shall pay a fee of \$15 along with each annual
22 financial report filed pursuant to this Act. If an annual
23 report is not timely filed, a late filing fee of an additional
24 \$100 is imposed and shall be paid as a condition of filing a
25 late report. Reports submitted without the proper fee shall
26 not be accepted for filing.

1 (Source: P.A. 90-469, eff. 8-17-97; 91-444, eff. 8-6-99.)

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.