



REPORT TO LAW & LEGISLATION COMMITTEE City of Sacramento

915 I Street, Sacramento, CA 95814-2671

STAFF REPORT
May 19, 2009

Honorable Members of the
Law and Legislation Committee

Title: Legislative Position: Support AB 918 (Adams) Related to Charitable Collection Boxes

Location/Council District: Citywide

Recommendation: Adopt a support position on AB 918 (Adams) related to charitable collection boxes.

Contact: Max Fernandez, Director of Code Enforcement, 916-808-7940, Brad Wasson, Revenue Manager, 916-808-5844

Presenters: Max Fernandez, Director of Code Enforcement, 916-808-7940, Brad Wasson, Revenue Manager, 916-808-5844

Department: Code Enforcement

Division: Business Compliance

Dept. ID: 20001211

Description/Analysis

Issue: The City of Sacramento supports charities and their efforts to ensure that all people have adequate resources through donations. However, unattended donation boxes have begun to proliferate without the approval of property owners or without clear information about how the collected donations will be used. If not properly maintained, unattended boxes can become nuisances by attracting graffiti, trash, toxic materials and rodents. AB 918 would allow only qualified charitable organizations to engage, directly or indirectly, in the soliciting of donations.

Existing law authorizes counties and cities to impose additional requirements for the privilege of soliciting and selling salvageable personal property within their jurisdictions. AB 918 would specify marking requirements on collection boxes that are used for the solicitation and collection of donations and salvageable personal property in California.

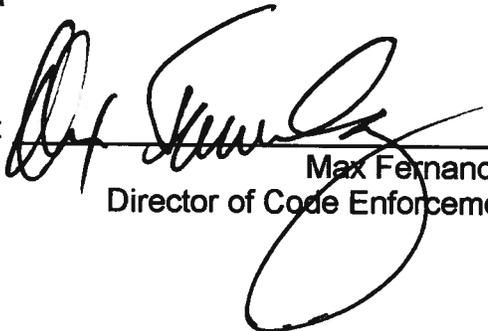
Policy Considerations: AB 918 would require for-profit and non-profit organizations to display the organization's name, address, telephone number, website address and a statement stating that the box is owned by a for-profit agency, a commercial fund raiser or a non profit agency on the donation box. These organizations will be required to provide licensing information and the destination of the proceeds.

Environmental Considerations: None

Rationale for Recommendation: AB 918 would allow local jurisdictions to prohibit a person or organization from placing, using, or employing a collection box for solicitation purposes if the box does not adhere to the disclosure requirements. The bill would not limit a jurisdiction from adopting ordinances or regulations regarding collection boxes that are more stringent than the provisions of the bill.

Financial Considerations: Support for AB 918 presents no fiscal impact on the City.

Emerging Small Business Development (ESBD): n/a

Approved Submitted By: 
Max Fernandez
Director of Code Enforcement

Recommendation Approved:

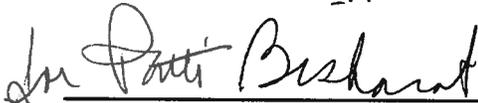

RAY KERRIDGE
City Manager

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Attachment 1 – Draft Letter of Support

April 29, 2009

The Honorable Anthony Adams
California State Assembly
State Capitol, Room 4015
Sacramento, CA 95814
ATTN: Legislative Director

SUBJECT: Support of AB 918 - Charitable Collection Boxes

On behalf of the City of Sacramento, I am pleased to write in support of SB 918. This bill would require organizations that own unattended collection boxes used to solicit or collect donations of personal property to conspicuously display specific information. It also authorizes local jurisdictions (the City of Sacramento) to prohibit the organization from employing any collection box if it does not adhere to the disclosure requirements.

This legislation also specifically states that "nothing in this proposed legislation shall be deemed to limit a local jurisdiction from adopting ordinances or regulations regarding collection boxes that go beyond these provision." This will help the city further control problem operators and locations.

Thank you for introducing this important legislation.

Sincerely,

SANDY SHEEDY, Chair
Law and Legislation Committee

cc: Senator Darrell Steinberg
Senator Dave Cox
Assembly Member Dave Jones
Assembly Member Alyson Huber
Assembly Member Roger Niello
Members, Assembly Committee on Business and Professions
Mayor Johnson and Members of the City Council
David Jones, Emanuels and Jones and Associates

AMENDED IN ASSEMBLY APRIL 21, 2009

AMENDED IN ASSEMBLY APRIL 13, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 918

**Introduced by Assembly Member Adams
(Coauthors: Assembly Members Carter, Davis, and Jones)**

February 26, 2009

An act to add Chapter 2 (commencing with Section 150) to Division 1 of the Welfare and Institutions Code, relating to charitable donations.

LEGISLATIVE COUNSEL'S DIGEST

AB 918, as amended, Adams. Salvageable personal property: collection boxes.

Existing law makes it unlawful for any association of persons to engage, directly or indirectly, in the soliciting of donations or in selling salvageable personal property obtained by soliciting, except qualified charitable organizations, as described, that meet specified requirements.

Existing law authorizes counties and cities to impose additional requirements for the privilege of soliciting and selling salvageable personal property within their jurisdictions.

This bill would specify marking requirements on collection boxes, as defined, that are used for the solicitation and collection of donations of salvageable personal property in California. The bill would allow a local jurisdiction to prohibit a person or a covered organization, as defined, from placing, using, or employing a collection box for solicitation purposes if the collection box does not adhere to the disclosure requirements, and would specify that its provisions shall not be deemed to limit a local jurisdiction from adopting ordinances or

regulations regarding collection boxes that are more stringent than the provisions of the bill.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 2 (commencing with Section 150) is
2 added to Division 1 of the Welfare and Institutions Code, to read:

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4
5

CHAPTER 2. UNATTENDED COLLECTION BOXES

6 150. For purposes of this chapter, the following definitions
7 shall apply:

8 (a) "Collection box" means an unattended cannister, box,
9 receptacle, or similar device, used for soliciting and collecting
10 donations of salvageable personal property.

11 ~~(b) "Commercial fundraiser" means an entity that, for~~
12 ~~compensation or other consideration, directly or indirectly solicits~~
13 ~~or receives contributions for or on behalf of a charitable~~
14 ~~organization or charitable purpose, or that is engaged in, or is held~~
15 ~~out as being independently engaged in, the business of soliciting~~
16 ~~or receiving contributions for those purposes.~~

17 (b) "Commercial fundraiser" shall have the same meaning as
18 in subdivision (a) of Section 12599 of the Government Code.

19 (c) "Covered organization" means an organization that is either
20 of the following:

- 21 (1) A nonprofit organization that is all of the following:
- 22 (A) Incorporated in, or, if a foreign corporation, registered to
- 23 do business in, California.
- 24 (B) Current in reporting to and registered with the Secretary of
- 25 State.
- 26 (C) Registered with, and current in reporting to, the Attorney
- 27 General's Registry of Charitable Trusts.
- 28 (D) Exempt from taxation pursuant to Section 501(c)(3) or
- 29 501(c)(4) of the Internal Revenue Code.

30 (2) A for-profit organization, including, but not limited to, a
31 commercial fundraiser, that is both of the following:

- 32 (A) Incorporated in, or, if a foreign corporation, registered to
- 33 do business in, California.

1 (B) Current in reporting to and registered with the Secretary of
2 State.

3 (d) "Local jurisdiction" means a city, county, or city and county.

4 151. A collection box that is owned by a covered organization
5 or person that is used for the solicitation and collection of donations
6 of salvageable personal property in California shall clearly and
7 conspicuously display on its exterior all of the following
8 information:

9 (a) The name, address, operational telephone number, and
10 Internet Web site address, if available, of the organization or person
11 that owns the collection box.

12 (b) In at least two-inch type, a statement whether the collection
13 box is owned and operated by a for-profit organization or a
14 nonprofit organization.

15 (c) If the collection box is owned by a commercial fundraiser,
16 the fundraiser shall display, in at least two-inch type, a statement
17 that the collection box is owned and operated by a for-profit
18 organization but that the proceeds will benefit a charitable cause.

19 (d) If the collection box is owned by a nonprofit organization
20 or a commercial fundraiser, the organization shall provide all of
21 the following:

22 (1) The covered organization's charitable trust number issued
23 by the Attorney General's Registry of Charitable Trusts.

24 (2) The covered organization's business license number.

25 (3) A statement describing what charitable cause will benefit
26 from the donations.

27 (4) A statement describing the previous year's charitable
28 activity, including the percentage of the organization's total
29 donation proceeds that was used for the charitable cause.

30 (e) If the collection box is owned by a for-profit organization,
31 the organization shall provide the following information:

32 (1) The covered organization's California business license
33 number.

34 (2) A statement informing the donor that the donation is not tax
35 deductible.

36 152. (a) A local jurisdiction may prohibit a person or an
37 eligible organization from placing, using, or employing a collection
38 box for solicitation purposes if the collection box does not adhere
39 to the disclosure requirements included in this chapter.

AB 918

— 4 —

1 (b) Nothing in this chapter shall be deemed to limit a local
2 jurisdiction from adopting ordinances or regulations regarding
3 collection boxes that are more stringent than the provisions of this
4 chapter.

5 (c) Nothing in this chapter shall be deemed to supersede or in
6 any way limit the Department of Justice's existing authority over
7 fundraising for charitable purposes.