

AN ACT relating to charitable organizations and accountability.

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) The Attorney General shall provide public access to records relating to financial accountability of charitable organizations through the display of the records on a Web site. The Web site shall provide a list of names of charitable organizations that:

(a) Are engaged in or planning to engage in solicitation for a charitable campaign in the state of Kentucky;

(b) Are required by KRS 367.657 to file a copy of federal Form 990 or notice of intent to solicit with the Office of the Attorney General; and

(c) Have failed to meet the financial accountability standards recommended by the American Institute of Philanthropy's CharityWatch, which recommends that charitable organizations dedicate at least seventy-five percent (75%) of their budgets to the organizations' stated charitable goals or programs.

Inclusion on this list shall be based on a three (3) year average of annual expenditures.

(2) Information on the Web site shall be updated on an annual basis and include:

(a) The fifty (50) charitable organizations that fell farthest from the American Institute of Philanthropy's Charitywatch charitable spending recommendation;

(b) Each organization's average annual expenditures;

(c) The actual percentage spent on the organization's stated charitable purpose; and

(d) A link to the American Institute of Philanthropy's Charitywatch Web site.

(3) The Attorney General shall promulgate administrative regulations necessary to

*effectuate the disclosures required by this section.*