

Government of the District of Columbia  
Office of the Chief Financial Officer



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CHAIRMAN L. CROPP

MEMORANDUM

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi   
Chief Financial Officer

**DATE:** SEP 20 2005

**SUBJECT:** Fiscal Impact Statement: "Nonprofit Organizations Oversight Improvement Act of 2005"

**REFERENCE:** Draft Legislation – No Bill Number Available

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**Conclusion**

Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan to implement the proposed legislation because no additional staff or resources would be required.

**Background**

The proposed legislation would provide for judicially imposed remedies against nonprofit organizations that violate the law, and would provide the Attorney General with additional means by which to investigate alleged violations of the law regarding nonprofit organizations and charitable solicitations. Specifically, the proposed legislation would:

- (1) clarify that a nonprofit organization must be organized for nonprofit purposes;
- (2) allow the court, upon proper findings that a corporation is not serving the nonprofit purposes for which it was organized, to dissolve that corporation, place that corporation in receivership, or to grant other injunctive or equitable relief;
- (3) provide power to the Attorney General to subpoena testimony, and compel production of evidence;
- (4) provide power to the Attorney General to bring action in DC Superior Court to enjoin any person from soliciting in violation of the District of Columbia Charitable Solicitation Act; and

- (5) include nonprofit organizations within the definition of "merchant" in the Consumer Protection Procedures Act.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan to implement the proposed legislation. The proposed legislation provides the courts additional remedies against nonprofit organizations that violate the law, and provides the Attorney General with additional means by which to investigate alleged violations of the law regarding nonprofit organizations and charitable solicitations, but would not require additional staffing or resources.