



NEWS

Oregon Legislature - House Democratic Caucus

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House Moves to Protect Consumers From Sham Charities

HB 2060A disqualifies charities from receiving tax deductible donations if they fail to meet reasonable standard

SALEM – While most charitable organizations do amazing and invaluable work to help thousands of people, there are a few bad actors that don't live up to their mission statements. These charities devote less than 30 percent of the money raised to perform the work they promise to do and use their tax exempt status to lure donors into giving them more money.

Today the House moved forward a bill that will help regulate these charities to ensure they are performing the services they promote. It allows Attorney General to disqualify charitable organizations from receiving contributions that are tax deductible if 30 percent of their total annual expenses are not used on charitable program services over the past three years.

“This bill hits only charities that are clearly abusing their non-profit status,” said Representative Alissa Keny-Guyer (D-Portland) who carried the bill on the House Floor. “Like many representatives, I have spent much of my professional and volunteer life working with non-profits. House Bill 2060A deals with the minority of organizations that fall below all acceptable standards of non-profit management.”

The bill would require disqualified groups to tell the public about their disqualification, and they would not be allowed to claim a property tax exemption.

“Donors have a right to know whether charities are actually spending the money the way they say they would,” Representative Joe Gallegos (D-Hillsboro) said. “I'm proud to support this bill because it will protect consumers from groups that try to take advantage of them.”

Representative Paul Holvey (D-Eugene), chair of the House Consumer Protection and Government Efficiency Committee, said it's important that disqualified groups are not given the property tax exemption normally allowed to non-profit groups.

“We have a responsibility to make wise use of our limited tax dollars,” Holvey said. “Property tax exemptions are intended only for groups that are truly serving the public through a charitable mission.”

House Bill 2060A passed the House 57-0 and now moves to the Senate for consideration.

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