

CHANGE IN FLORIDA'S CHARITABLE SOLICITATION LAW PROHIBITS COVERED ORGANIZATIONS FROM ACCEPTING CONTRIBUTIONS FROM DONORS ASSOCIATED WITH "FOREIGN COUNTRIES OF CONCERN" – EFFECTIVE JULY 1, 2025

*By Kaylyn Varnum, CPA
& Mike Batts, CPA*

NONPROFIT SPECIAL ALERT™



Batts Morrison
Wales & Lee
CPAs for Nonprofits

Change in Florida's Charitable Solicitation Law Prohibits Covered Organizations from Accepting Contributions from Donors Associated with "Foreign Countries of Concern" – Effective July 1, 2025

By Kaylyn Varnum, CPA & Mike Batts, CPA

July 24, 2025

The Florida Legislature recently passed and Governor Ron DeSantis signed into law certain new provisions applicable to Florida charitable solicitation that became effective July 1, 2025.

The new law prohibits soliciting or accepting contributions from certain foreign sources and applies to "any person in connection with the planning, conduct, or execution of any solicitation or charitable or sponsor sales promotion."

Interestingly, the new law is codified within Section 496.415 of the Florida Statutes. And Section 496.403 of the Florida Statutes, entitled "Application," (which is not new) states:

Sections 496.401 – 496.424 do not apply to bona fide religious institutions, educational institutions, and state agencies or other government entities or persons or organizations who solicit or act as professional fundraising consultants solely on behalf of those entities, or to blood establishments... *[Definitions exist in the statutes for the organization types listed.]*

It is a quirk of Florida law in this area that this "Application" section states that a range of statutes do not apply to the types of organizations listed above...and included within that range of statute sections is the Application section itself. More relevant to the issue at hand, however, is the fact that **the new provisions of the law added to Section 496.415 are within that range of statute sections that Section 496.403 states do not apply to the types of organizations listed in Section 496.403 (as described above).**

With respect to the organizations to which the law does apply, it prohibits an organization (and certain persons acting on behalf of the organization) from soliciting or accepting contributions or anything of value from a "foreign source of concern."

A "foreign source of concern" is defined in the new law to mean any of the following:

- a. The government or any official of the government of a foreign country of concern (see list below);
- b. A political party or member of a political party or any subdivision of a political party in a foreign country of concern;
- c. A partnership, an association, a corporation, an organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country of concern, or a subsidiary of such entity;
- d. Any person who is domiciled in a foreign country of concern and is not a citizen or lawful permanent citizen of the United States;
- e. An agent, including a subsidiary or an affiliate of a foreign legal entity, acting on behalf of a foreign source of concern; or
- f. Any entity in which a person, entity, or collection of persons or entities described in (a.)–(e.) above has a controlling interest. The term "controlling interest" means the possession of power to direct or cause the direction of the management or policies of an entity, whether through ownership of securities, by contract, or otherwise. A person or an entity that directly or indirectly has the right to vote 25 percent or more of the voting interest of the company or is entitled to 25 percent or more of its profits is presumed to possess a controlling interest.

"Foreign countries of concern" under current law are:

- a. People's Republic of China;

- b. Russian Federation;
- c. Islamic Republic of Iran;
- d. Democratic People's Republic of Korea;
- e. Republic of Cuba;
- f. Venezuelan regime of Nicolas Maduro; and
- g. Syrian Arab Republic.

The term "foreign country of concern" also includes any agency of or any other entity under significant control of such foreign country of concern.

Florida's charitable solicitation laws are administered by the Department of Agriculture and Consumer Services (the Department).

An organization in violation of the new prohibition described herein may seek relief from the Department for first-time violations if certain conditions are met, as described in the law. However, for second and subsequent violations, the Department may suspend an organization's registration and/or subject the organization to administrative fines or other enforcement actions.

The new law also creates an "Honest Services Registry," which will be published on the Department's website. According to the new law, this registry is created "to provide the residents of this state with the information necessary to make an informed choice when deciding which charitable organizations to support." In order to be included in the Honest Services Registry, an organization must, at a minimum, submit a statement to the Department (on a form to be provided by the Department) attesting to all of the following:

- a. That the organization does not solicit or accept, directly or indirectly, contributions, funding, support, or services from a foreign source of concern; and
- b. That the organization's messaging and content are not directly or indirectly produced or influenced by a foreign source of concern.

It is not yet clear whether entities exempt from Florida charitable solicitation registration requirements may voluntarily file attestation statements of the type described above to be included in the Honest Services Registry. It would seem plausible that organizations exempt from registration, including those listed in Section 496.403 (as described above), may be allowed to participate in the Honest Services Registry, as the Honest Services Registry provisions of the law are codified into a new Section 496.431, which is outside the range of statute sections addressed by the Application provisions of Section 496.403.

Practical Considerations

Given the broad definition of "foreign source of concern" as defined in the new law, nonprofit leaders concerned about the law's application to their organizations should address the matter with their organizations' legal counsel as soon as possible. Additionally, charities should train their executive, accounting, development, and fundraising staff about the new prohibition and evaluate, under the advice of legal counsel, whether changes to their gift acceptance or other related policies and practices may be necessary.

This publication is for general informational and educational purposes only, and does not constitute legal, accounting, tax, financial, or other professional advice. It is not a substitute for professional advice. For permission to reprint, please contact us.