



132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1499

H.P. 983

House of Representatives, April 8, 2025

An Act to Revoke the Tax-exempt Status of an Organization That Fails to Report Sexual Assaults Committed by Employees, Board Members, Volunteers or Affiliates

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative MACIAS of Topsham.
Cosponsored by Representatives: OSHER of Orono, RAY of Lincolnville.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 36 MRSA c. 933** is enacted to read:

3 **CHAPTER 933**

4 **NONPROFIT ORGANIZATION ACCOUNTABILITY**

5 **§7351. Definitions**

6 As used in this chapter, unless the context otherwise indicates, the following terms
7 have the following meanings.

8 **1. Failure to report.** "Failure to report" or "fails to report" means the willful or
9 negligent failure to report allegations of sexual assault involving a tax-exempt
10 organization's employees, board members, volunteers or affiliates to the appropriate law
11 enforcement authorities, as required by state or federal law.

12 **2. Sexual assault.** "Sexual assault" means any criminal act that constitutes a sexual
13 offense under state or federal law, including, but not limited to, sexual assaults as prohibited
14 pursuant to Title 17-A, chapter 11 and sexual exploitation of minors as prohibited pursuant
15 to Title 17-A, chapter 12.

16 **3. Tax-exempt organization.** "Tax-exempt organization" means an entity that
17 qualifies for tax-exempt status under the Code, Section 501(c), including, but not limited
18 to, a religious, charitable, educational or nonprofit organization.

19 **§7352. Mandatory reporting compliance**

20 **1. Compliance.** A tax-exempt organization shall comply with all state and federal
21 laws requiring the reporting of allegations of sexual assault involving that tax-exempt
22 organization's employees, board members, volunteers or affiliates to law enforcement
23 authorities.

24 **2. Reporting.** A tax-exempt organization shall implement and enforce policies to
25 ensure that all allegations of sexual assault are reported promptly and transparently.

26 **§7353. Penalty for noncompliance**

27 **1. Loss of tax-exempt status; determination and report.** If a tax-exempt
28 organization fails to report allegations of sexual assault on 2 separate occasions within a
29 10-year period, that organization is no longer entitled to tax-exempt status in this State.
30 Each instance of failure to report must involve a distinct allegation of sexual assault and
31 must be substantiated by a court of law or administrative proceeding. The court or fact
32 finder shall report its findings to the bureau.

33 **2. Revocation process.** Upon being notified pursuant to subsection 1 that a tax-
34 exempt organization has failed to report allegations of sexual assault on at least 2 separate
35 occasions within a 10-year period, the bureau shall initiate proceedings to revoke that
36 organization's tax-exempt status for all activities conducted within the State. The bureau
37 shall inform the tax-exempt organization in writing of its decision and provide the
38 organization an opportunity to appeal the decision within 30 days.

39 **§7354. Record keeping and public reporting**

