

SENATE BILL 75

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2000 Regular Session
0lr0118

(PRE-FILED)

By: **Chairman, Judicial Proceedings Committee (Departmental - Secretary of State)**

Requested: November 15, 1999

Introduced and read first time: January 12, 2000

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Charitable Solicitations**

3 FOR the purpose of clarifying certain requirements for certain organizations exempt
4 from registration; establishing a late filing fee for certain charitable
5 organizations; requiring certain organizations be registered prior to entering
6 into a fund-raising agreement; requiring the Governor to budget certain funds
7 for a certain program; providing for the application of this Act; and generally
8 relating to the requirements of the Maryland Charitable Solicitations Act.

9 BY repealing and reenacting, with amendments,
10 Article - Business Regulation
11 Section 6-102(c), 6-405(a), and 6-603
12 Annotated Code of Maryland
13 (1998 Replacement Volume and 1999 Supplement)

14 BY adding to
15 Article - Business Regulation
16 Section 6-407(c)
17 Annotated Code of Maryland
18 (1998 Replacement Volume and 1999 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article - Business Regulation**

22 6-102.

23 (c) (1) Except as provided in paragraph (2) of this subsection, a charitable
24 organization is exempt from the REGISTRATION AND DISCLOSURE requirements of
25 this title if the charitable organization:

26 (i) does not employ a professional solicitor; and

1 (ii) 1. solicits charitable contributions for a named individual
2 and the gross amount is delivered to the individual;

3 2. A. is a religious organization, a parent organization of a
4 religious organization, or a school affiliated with a religious organization; and

5 B. has in effect a declaration of tax-exempt status from the
6 government of the United States;

7 3. solicits charitable contributions only from its members;

8 4. does not receive more than \$25,000 in charitable
9 contributions from the public during the year for which a registration statement and
10 annual report otherwise would be required; or

11 5. only receives contributions from for-profit corporations
12 and organizations determined to be private foundations by the government of the
13 United States.

14 (2) (i) A charitable organization claiming exemption under paragraph
15 (1) of this subsection shall submit evidence of its entitlement to an exemption upon
16 request of the Secretary of State.

17 (ii) A charitable organization that fails to submit evidence
18 satisfactory to the Secretary of State under subparagraph (i) of this paragraph is not
19 exempt from the requirements of this title.

20 6-405.

21 (a) Except for parent-teacher organizations and youth sports organizations
22 soliciting charitable contributions for programs for minors, a person exempt under §
23 6-102(c)(1)(ii)1 [and] OR 4 of this title shall submit ANNUALLY a fund-raising notice
24 to the Secretary of State on the form that the Secretary requires [before starting a
25 public solicitation].

26 6-407.

27 (C) (1) AN ORGANIZATION FAILING TO FILE AN ANNUAL REPORT EITHER BY
28 THE END OF THE 6-MONTH PERIOD AFTER THE END OF THE CHARITABLE
29 ORGANIZATION'S FISCAL YEAR OR WITHIN ANY PERIOD OF EXTENSION GRANTED
30 SHALL PAY, IN ADDITION TO THE ANNUAL FEE, \$25 FOR EACH MONTH OR PART
31 THEREOF AFTER THE DATE ON WHICH THE ANNUAL REPORT WAS DUE TO BE FILED
32 OR AFTER THE PERIOD OF EXTENSION GRANTED FOR SUCH FILING.

33 (2) THE LATE FEE SHALL BE ASSESSED 60 DAYS AFTER:

34 (I) THE END OF THE 6TH MONTH AFTER THE END OF THE FISCAL
35 YEAR; OR

36 (II) THE PERIOD OF EXTENSION.

1 (3) FAILURE TO REMIT AN ASSESSED LATE FEE IS A VIOLATION OF THIS
2 TITLE.

3 6-603.

4 (A) A professional solicitor OR FUND-RAISING COUNSEL may not make an
5 agreement with a charitable organization to raise money on its behalf unless the
6 charitable organization has applied to register with the Secretary of State.

7 (B) A CHARITABLE ORGANIZATION MAY NOT MAKE AN AGREEMENT WITH A
8 PROFESSIONAL SOLICITOR OR FUND-RAISING COUNSEL UNLESS THE
9 PROFESSIONAL SOLICITOR OR FUND-RAISING COUNSEL HAS APPLIED TO REGISTER
10 WITH THE SECRETARY OF STATE.

11 SECTION 2. AND BE IT FURTHER ENACTED, That, beginning with the fiscal
12 year 2002 budget and annually thereafter, the Governor shall include in the budget
13 funds for the Charitable Giving Information Program of this Act, which are equal to
14 or greater than one-half of the amount of fees collected during the preceding fiscal
15 year under § 6-407(c) of the Business Regulation Article.

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 2000.