

SENATE BILL 75

Unofficial Copy
C2

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

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: February 16, 2000

CHAPTER _____

1 AN ACT concerning

2 **Charitable Solicitations**

3 FOR the purpose of clarifying ~~certain requirements for~~ that certain charitable
4 organizations are exempt from registration; certain requirements of the
5 Maryland Charitable Solicitations Act under certain circumstances; clarifying
6 the exempt organizations that are required to submit a fund-raising notice to
7 the Secretary of State; requiring a fund-raising notice to be submitted annually;
8 establishing a late filing fee for certain charitable organizations; requiring
9 certain organizations and persons to be registered with the Secretary of State
10 prior to entering into a fund-raising agreement; requiring the Governor to
11 budget certain funds for a certain program; providing for the application of this
12 Act; and generally relating to ~~the requirements of the Maryland Charitable~~
13 Solicitations Act.

14 BY repealing and reenacting, with amendments,
15 Article - Business Regulation
16 Section 6-102(c), 6-405(a), and 6-603
17 Annotated Code of Maryland
18 (1998 Replacement Volume and 1999 Supplement)

19 BY adding to
20 Article - Business Regulation
21 Section 6-407(c)
22 Annotated Code of Maryland
23 (1998 Replacement Volume and 1999 Supplement)

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

3 **Article - Business Regulation**

4 6-102.

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

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

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

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

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

15 3. solicits charitable contributions only from its members;

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

19 5. only receives contributions from for-profit corporations
20 and organizations determined to be private foundations by the government of the
21 United States.

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

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

28 6-405.

29 (a) Except for parent-teacher organizations and youth sports organizations
30 soliciting charitable contributions for programs for minors, a person exempt under §
31 6-102(c)(1)(ii)1 [and] OR 4 of this title shall submit ANNUALLY a fund-raising notice
32 to the Secretary of State on the form that the Secretary requires [before starting a
33 public solicitation].

1 6-407.

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

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

9 (I) THE END OF THE 6TH MONTH AFTER THE END OF THE FISCAL
10 YEAR; OR

11 (II) THE PERIOD OF EXTENSION.

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

14 6-603.

15 (A) A professional solicitor OR FUND-RAISING COUNSEL may not make an
16 agreement with a charitable organization ~~to raise money on its behalf~~ unless the
17 charitable organization has applied to register with the Secretary of State OR IS
18 OTHERWISE EXEMPT.

19 (B) A CHARITABLE ORGANIZATION MAY NOT MAKE AN AGREEMENT WITH A
20 PROFESSIONAL SOLICITOR OR FUND-RAISING COUNSEL UNLESS THE
21 PROFESSIONAL SOLICITOR OR FUND-RAISING COUNSEL HAS APPLIED TO REGISTER
22 WITH THE SECRETARY OF STATE OR IS OTHERWISE EXEMPT.

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

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