

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE
Revised

House Bill 150 (Delegate Morhaim)

Health and Government Operations

Judicial Proceedings

Secretary of State and Attorney General - Charitable Enforcement and
Protection of Charitable Assets - Workgroup Reports - Extension

This bill extends the date by which the Secretary of State and the Attorney General must submit a final report from the workgroup established to examine reporting requirements by charitable organizations to the Governor and the General Assembly from July 1, 2015, to December 1, 2016. In addition, a second interim report is required by December 1, 2015.

The bill takes effect June 1, 2015.

Fiscal Summary

State Effect: The bill allows additional time for the Secretary of State and the Attorney General to submit the required final report to the Governor and the General Assembly and requires an additional interim report. The Secretary of State and the Office of the Attorney General can likely handle the additional/extended reporting requirements with existing resources. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: Chapter 654 of 2014 generally authorized the Attorney General to investigate and enforce laws relating to charitable organizations and charitable representatives in the same manner as the Secretary of State. It also increased specified fees for charitable organizations, fundraising counsels, and professional solicitors. The additional revenues from the fees are distributed to the Charitable

Enforcement Fund established under Chapter 654 to support the actions of the Secretary of State and the Attorney General in administering and enforcing laws related to charitable organizations and the protection of charitable assets.

Chapter 654 also required, by July 1, 2014, the Secretary of State and the Attorney General, or their designees, to jointly convene and co-chair a workgroup to study (1) the information that should be reported to the Secretary of State by charitable organizations, charitable representatives, and fundraising counsel and (2) how that information can be most effectively and efficiently collected without imposing an unnecessary burden on those subject to reporting as well as how that information should be shared. The workgroup must include representation from specified stakeholder groups, including the National Association of State Charity Officials, the Maryland State Bar Association, the Maryland Association of Certified Public Accountants, and the general public. The Secretary of State and the Attorney General are required to submit an interim report on the workgroup study, including any findings and recommendations, to the Governor and the General Assembly by December 1, 2014, and must submit a final report by July 1, 2015.

The interim report was submitted on December 1, 2014, and details the workgroup's progress in studying the information required in the final report. The workgroup also recommended a number of changes to the charity forms maintained by the Office of the Secretary of State, which has since updated all of the documents and created new instructions for each form. In 2015, the workgroup intends to focus on effective and efficient ways to collect registration documents and fees with consideration of how that information can best be shared with other agencies and the public. The full text of the interim report can be found online [here](#).

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Office of the Attorney General, Department of Legislative Services

Fiscal Note History: First Reader - February 10, 2015
md/mcr Revised - House Third Reader - March 24, 2015

Analysis by: Stephen M. Ross

Direct Inquiries to:
(410) 946-5510
(301) 970-5510