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

Requested: October 30, 1996

Introduced and read first time: January 8, 1997

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Charitable Solicitation - Professional Solicitors**

3 FOR the purpose of providing that a bond or irrevocable letter of credit filed by a person
4 applying to register as a professional solicitor may be returned to the person only
5 under certain circumstances; and generally relating to professional solicitors.

6 BY repealing and reenacting, with amendments,
7 Article - Business Regulation
8 Section 6-303
9 Annotated Code of Maryland
10 (1992 Volume and 1996 Supplement)

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

13 **Article - Business Regulation**

14 6-303.

15 (a) (1) Except as provided in subsection (c) of this section, on applying for
16 registration as a professional solicitor, an applicant shall execute and submit to the
17 Secretary of State a bond in the sum of \$25,000, with surety that the Secretary of State
18 approves.

19 (2) The bond shall run to the State for the use of the State and each person
20 who may have a cause of action against the applicant for loss resulting from malfeasance,
21 nonfeasance, or misfeasance in the applicant's charitable solicitation.

22 (3) The applicant shall keep the bond in force as long as the registration is
23 in effect.

24 (b) An applicant for registration as a professional solicitor shall submit a
25 consolidated bond for all of the officers, agents, members, associate solicitors,
26 subcontractors, and employees of the professional solicitor.

27 (c) An applicant for registration as a professional solicitor that submits a \$25,000
28 irrevocable letter of credit to the Secretary of State is not required to submit a surety
29 bond under subsection (a) of this section.

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1 (D) THE SECRETARY OF STATE MAY RETURN A BOND OR IRREVOCABLE
2 LETTER OF CREDIT FILED UNDER THIS SECTION ONLY IF:

3 (1) 3 YEARS HAVE PASSED SINCE THE REGISTRATION PERIOD TO
4 WHICH THE BOND OR LETTER APPLIES, AND THERE IS NO PENDING CLAIM AGAINST
5 THE BOND OR LETTER; OR

6 (2) THE REGISTRATION PERIOD TO WHICH THE BOND OR LETTER
7 APPLIES IS OVER, ALL REQUIRED ACCOUNTING REPORTS HAVE BEEN PROPERLY
8 COMPLETED AND FILED, AND IT APPEARS TO THE SATISFACTION OF THE
9 SECRETARY OF STATE THAT THE PERSON IS NOT IN VIOLATION OF THE MARYLAND
10 CHARITABLE SOLICITATIONS ACT.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 1997.