

(PRE-FILED)

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

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: January 15, 1997

CHAPTER ____

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; requiring the Secretary of State to include a certain
 6 notice with an application for registration as a professional solicitor; and generally
 7 relating to professional solicitors.

8 BY repealing and reenacting, with amendments,
 9 Article - Business Regulation
 10 Section 6-303
 11 Annotated Code of Maryland
 12 (1992 Volume and 1996 Supplement)

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

15 **Article - Business Regulation**

16 6-303.

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

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

2

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

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

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

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

11 (1) 3 YEARS HAVE PASSED SINCE THE REGISTRATION PERIOD TO
12 WHICH THE BOND OR LETTER APPLIES, AND THERE IS NO PENDING CLAIM AGAINST
13 THE BOND OR LETTER; OR

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

19 (E) THE SECRETARY OF STATE SHALL INCLUDE WITH AN APPLICATION FOR
20 REGISTRATION AS A PROFESSIONAL SOLICITOR A NOTICE THAT A PERSON MAY
21 APPLY FOR RETURN OF A BOND OR IRREVOCABLE LETTER OF CREDIT AFTER THE
22 REGISTRATION PERIOD TO WHICH THE BOND OR LETTER APPLIES.

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