

HOUSE BILL 955

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1998 Regular Session
8r1243
CF SB 17

By: **Delegates Preis and Harkins**
Introduced and read first time: February 13, 1998
Assigned to: Economic Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 25, 1998

CHAPTER _____

1 AN ACT concerning

2 **Charitable Solicitations - ~~Professional~~ Fire Organization Solicitors**

3 FOR the purpose of ~~altering the definition of "professional solicitor" under the~~
4 ~~Maryland Charitable Solicitations Act to include certain persons who solicit or~~
5 ~~receive contributions for certain organizations; and generally relating to~~
6 ~~professional solicitors making certain registration and bond requirements under~~
7 ~~the Maryland Charitable Solicitations Act applicable to certain persons who~~
8 ~~solicit or receive contributions for ambulance, fire fighting, or rescue~~
9 ~~organizations; defining a certain term; altering a certain definition; and~~
10 ~~generally relating to fund-raising for ambulance, fire fighting, and rescue~~
11 ~~organizations.~~

12 BY repealing and reenacting, with amendments,
13 Article - Business Regulation
14 Section ~~6-401(i)~~ 6-101(b), 6-301(a), 6-302(a) and (b)(2), 6-303, and 6-601
15 Annotated Code of Maryland
16 (1992 Volume and 1997 Supplement)

17 BY adding to
18 Article - Business Regulation
19 Section 6-101(j)
20 Annotated Code of Maryland
21 (1992 Volume and 1997 Supplement)

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

1

Article - Business Regulation

2 6-101.

3 (b) "Associate solicitor" means a person who, for pay[,]:4 (1) solicits or receives charitable contributions for a professional
5 solicitor; OR6 (2) SOLICITS OR RECEIVES CONTRIBUTIONS FOR A FIRE ORGANIZATION
7 SOLICITOR.8 (J) "FIRE ORGANIZATION SOLICITOR" MEANS A PERSON WHO, FOR PAY,
9 SOLICITS OR RECEIVES CONTRIBUTIONS FOR AN AMBULANCE, FIRE FIGHTING, OR
10 RESCUE ORGANIZATION, PERSONALLY OR THROUGH AN ASSOCIATE SOLICITOR.11 (i) (1) ~~"Professional solicitor" means a person who, for pay:~~12 (i) ~~advises a charitable organization about a charitable solicitation;~~13 (ii) ~~holds, plans, or manages a charitable solicitation; [or]~~14 (iii) ~~solicits or receives charitable contributions for a charitable~~
15 ~~organization, personally or through an associate solicitor; OR~~16 (IV) ~~SOLICITS OR RECEIVES CONTRIBUTIONS FOR AN AMBULANCE,~~
17 ~~FIRE FIGHTING OR RESCUE ORGANIZATION, PERSONALLY OR THROUGH AN~~
18 ~~ASSOCIATE SOLICITOR.~~19 (2) ~~"Professional solicitor" does not include:~~20 (i) ~~an attorney, investment counselor, or banker because of~~
21 ~~advising a client or customer to contribute to a charitable organization;~~22 (ii) ~~a salaried officer or employee of a charitable organization that~~
23 ~~keeps a permanent office in the State; or~~24 (iii) ~~a person who solicits, receives, or collects used personal~~
25 ~~property, including household goods, furniture, appliances, or clothing, if the property~~
26 ~~is displayed or resold to the public at a retail establishment.~~27 6-301.28 (a) A person must have applied to register appropriately with the Secretary of
29 State whenever the person acts as:30 (1) an associate solicitor;31 (2) a professional solicitor; [or]32 (3) A FIRE ORGANIZATION SOLICITOR; OR

1 ~~[(3)]~~ (4) a fund-raising counsel.

2 6-302.

3 (a) An applicant for registration as a professional solicitor, FIRE
4 ORGANIZATION SOLICITOR, or fund-raising counsel shall:

5 (1) submit to the Secretary of State an application under oath on the
6 form that the Secretary of State provides;

7 (2) consent in writing to the jurisdiction and venue of the Circuit Court
8 for Anne Arundel County in actions brought under this title;

9 (3) pay to the Secretary of State an application fee of:

10 (i) \$200 for registration as a fund-raising counsel; or

11 (ii) \$300 for registration as a professional solicitor OR FIRE
12 ORGANIZATION SOLICITOR; and

13 (4) (i) certify that all taxes due from the applicant to the State or to
14 Baltimore City or a county of the State during the preceding fiscal year have been
15 paid, and all taxes the applicant was required to collect and pay over to the State or
16 to Baltimore City or a county of the State during the preceding fiscal year have been
17 collected and paid over; or

18 (ii) certify that the taxes due from the applicant to the State or to
19 Baltimore City or a county are under dispute and the dispute has not been finally
20 resolved.

21 (b) (2) An applicant for registration as a professional solicitor OR FIRE
22 ORGANIZATION SOLICITOR may register and pay a single application fee of \$300 to
23 cover all of the applicant's officers, agents, members, associate solicitors, and
24 employees who work in fund-raising, if the applicant:

25 (i) lists in the application the name of each current officer, agent,
26 member, associate solicitor, and employee who works in fund-raising; and

27 (ii) submits to the Secretary of State the name of each person
28 within 10 days after the person starts employment.

29 6-303.

30 (a) (1) Except as provided in subsection (c) of this section, on applying for
31 registration as a professional solicitor OR FIRE ORGANIZATION SOLICITOR, an
32 applicant shall execute and submit to the Secretary of State a bond in the sum of
33 \$25,000, with surety that the Secretary of State approves.

34 (2) The bond shall run to the State for the use of the State and each
35 person who may have a cause of action against the applicant for loss resulting from

1 malfeasance, nonfeasance, or misfeasance in the applicant's charitable solicitation OR
2 FUND-RAISING.

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

5 (b) An applicant for registration as a professional solicitor OR FIRE
6 ORGANIZATION SOLICITOR shall submit a consolidated bond for all of the officers,
7 agents, members, associate solicitors, subcontractors, and employees of the
8 professional solicitor OR FIRE ORGANIZATION SOLICITOR.

9 (c) An applicant for registration as a professional solicitor OR FIRE
10 ORGANIZATION SOLICITOR that submits a \$25,000 irrevocable letter of credit to the
11 Secretary of State is not required to submit a surety bond under subsection (a) of this
12 section.

13 (d) The Secretary of State may return a bond or irrevocable letter of credit
14 filed under this section only if:

15 (1) 3 years have passed since the registration period to which the bond or
16 letter applies, and there is no pending claim against the bond or letter; or

17 (2) the registration period to which the bond or letter applies is over, all
18 required accounting reports have been properly completed and filed, and it appears to
19 the satisfaction of the Secretary of State that the person is not in violation of the
20 Maryland Charitable Solicitations Act.

21 (e) The Secretary of State shall include with an application for registration as
22 a professional solicitor OR FIRE ORGANIZATION SOLICITOR a notice that a person may
23 apply for return of a bond or irrevocable letter of credit after the registration period to
24 which the bond or letter applies.

25 6-601.

26 (a) A person may not act as an associate solicitor, professional solicitor, FIRE
27 ORGANIZATION SOLICITOR, or fund-raising counsel unless the person has applied to
28 register appropriately with the Secretary of State.

29 (b) An associate solicitor may not solicit money from the public for a
30 professional solicitor OR FIRE ORGANIZATION SOLICITOR unless the professional
31 solicitor OR FIRE ORGANIZATION SOLICITOR has applied to register with the
32 Secretary of State and can show evidence of the application.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 October 1, 1998.

