

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

Senate Bill 71 (Chairman, Judicial Proceedings Committee)
(Departmental - Secretary of State)

Judicial Proceedings

Maryland Solicitations Act

This departmental bill requires professional solicitors who raise money for public safety organizations to apply and register with the Secretary of State.

Fiscal Summary

State Effect: General fund revenues would increase by \$100 for each individual who applies to become a public safety solicitor. There is also a potential minimal increase in general fund revenue for the collection of monetary penalties. Additional costs associated with the investigation or prosecution of alleged violators could be handled with existing resources.

Local Effect: Potential minimal increase in local expenditures due to the bill's incarceration penalty provisions. Because the Circuit Court for Anne Arundel County would have jurisdiction over actions brought against solicitors under the bill, Anne Arundel County could realize a minimal increase in revenues for the collection of monetary fines.

Small Business Effect: The Secretary of State has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill).

Analysis

Bill Summary: The bill defines a public safety solicitor as someone who is not a public safety officer but who, for pay, solicits contributions for a firefighting, ambulance, rescue, police, fraternal, or other law enforcement organization. In order to become a public safety solicitor, an individual must submit an application to the Secretary of State, a \$100 application fee, and a \$25,000 bond or irrevocable letter of credit. An additional application and the \$100 fee must be submitted for each public safety organization for which a solicitor will be raising funds. Public safety solicitors must consent in writing to the jurisdiction of the Circuit Court for Anne Arundel County in actions brought under the bill. They are required to update their registration with the Secretary of State annually.

Fund-raising scripts used in oral solicitations must be approved by the public safety organization for which a solicitor is working and it must be clear that the solicitor is soliciting on behalf of a public safety organization. All written solicitations and receipts must include a toll-free number where the public safety solicitor can be reached, a note stating that information about the solicitor is available through the Secretary of State, and the address and phone number of the Secretary of State. Public safety solicitors may not: (1) imply that they are a member of the public safety organization; (2) send an individual to receive a contribution unless the individual provides photo identification and written authorization from the public safety organization; (3) solicit using a name other than the full legal name of the public safety organization; or (4) state or imply that the solicited individual or business will receive any differential treatment from the public safety organization due to a pledge or a refusal to make a public safety contribution. The Secretary of State or the Secretary's designee investigates violations of the bill.

A person who willfully violates the bill's provisions is guilty of a misdemeanor and is subject to a fine not exceeding three times the total value of the funds solicited or imprisonment for up to one year or both. A person who commits a grossly negligent violation of the bill's provisions is guilty of a misdemeanor and is subject to a fine not exceeding the total value of the funds solicited or liability for restitution that the court sets. Violators must also forfeit the bond to the Secretary of State.

A person that solicits public safety contributions without prior application for registration is guilty of a misdemeanor and subject to a fine not exceeding ten times the value of the total amount of funds improperly solicited or imprisonment not exceeding one year or both. Violators may be prohibited from acting as public safety solicitors for up to ten years and may be ordered to refund all improperly solicited contributions to the donors.

Current Law: Individuals soliciting contributions for a public safety organization are not regulated and are not required to register with the Secretary of State. Other professional solicitors are regulated under the Maryland Charitable Solicitations Act (MCSA) and are required to register and submit a \$25,000 surety bond.

Background: The MCSA protects the citizens of Maryland from deceptive and fraudulent solicitations and is intended to help citizens to make giving decisions.

State Revenues: Because they are not currently registered, it is not known how many public safety solicitors are operating in Maryland and would be required to pay a \$100 application fee under the bill's provisions. The processing of applications and cataloging of public safety solicitors could be handled by the Secretary of State with existing resources. The Secretary of State would also realize additional revenues from any forfeited bonds.

Additional Information

Prior Introductions: The provisions in this bill were introduced, along with several other provisions, in 1999 as HB 1018, which received an unfavorable report from the House Economic Matters Committee. In 1998, two bills, SB 17 and HB 955, addressed public safety solicitors. SB 17 defined public safety solicitors as professional solicitors. The bill was eventually referred to a conference committee and no further action was taken with it. HB 955 created a registered "fire organization solicitor," and though it passed in the House, it failed in the Senate.

Cross File: None.

Information Source(s): Secretary of State, Department of Legislative Services

Fiscal Note History: First Reader - January 26, 2000
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Analysis by: Mark Collins

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510