

SENATE BILL 113

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2002 Regular Session
2lr0074

(PRE-FILED)

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

Requested: October 26, 2001
Introduced and read first time: January 9, 2002
Assigned to: Judicial Proceedings

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: January 18, 2002

CHAPTER _____

1 AN ACT concerning

2 **Charitable Solicitations**

3 FOR the purpose of authorizing the Secretary of State to serve written interrogatories
4 in the course of investigating an alleged violation of the ~~charitable~~
5 ~~organization's laws~~ Maryland Solicitations Act; requiring the Secretary of State
6 to approve an application for registration submitted by a charitable organization
7 under certain circumstances; requiring the Secretary of State to send a certain
8 notice to applicants seeking to register as charitable organizations that fail to
9 comply with certain laws and regulations; authorizing the Secretary of State to
10 assess a certain fee against applicants seeking to register as charitable
11 organizations that fail to comply with certain laws and regulations; and
12 generally relating to the Maryland ~~Charitable~~ Solicitations Act.

13 BY repealing and reenacting, with amendments,
14 Article - Business Regulation
15 Section 6-205(a) ~~and 6-304~~
16 Annotated Code of Maryland
17 (1998 Replacement Volume and 2001 Supplement)

18 BY adding to
19 Article - Business Regulation
20 Section 6-404
21 Annotated Code of Maryland
22 (1998 Replacement Volume and 2001 Supplement)

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

3 **Article - Business Regulation**

4 6-205.

5 (a) (1) The Secretary of State or the Secretary's designee may investigate an
6 alleged violation of this title.

7 (2) (i) In the course of any examination, investigation, or hearing, the
8 Secretary of State may subpoena witnesses, administer oaths, examine an individual
9 under oath, SERVE WRITTEN INTERROGATORIES, and compel production of records,
10 books, papers, and other documents.

11 (ii) In the course of any examination, investigation, or hearing, the
12 legal counsel for the Office of the Secretary of State may administer oaths and
13 examine an individual under oath.

14 (iii) Information obtained under this subsection is not admissible in
15 a subsequent criminal proceeding against the person who provided the information.

16 ~~6-304.~~

17 (a) ~~If the Secretary of State finds that an applicant for registration has~~
18 ~~complied with this title and the regulations adopted under it, the Secretary of State~~
19 ~~shall approve the application.~~

20 (b) ~~If the Secretary of State finds that an applicant for registration has not~~
21 ~~complied with this title and the regulations adopted under it applicable to~~
22 ~~registration, the Secretary of State:~~

23 (1) ~~shall notify the applicant of the reasons the applicant is not in~~
24 ~~compliance; AND~~

25 (2) ~~FOR EACH MONTH OR PART OF A MONTH THAT AN APPLICANT IS NOT~~
26 ~~IN COMPLIANCE, MAY ASSESS A FEE OF \$25 30 DAYS AFTER A SECOND NOTICE IS~~
27 ~~SENT, BY REGULAR MAIL, TO THE APPLICANT AT THE ADDRESS ON FILE WITH THE~~
28 ~~SECRETARY OF STATE.~~

29 ~~6-404.~~

30 (A) IF THE SECRETARY OF STATE FINDS THAT AN APPLICANT FOR
31 REGISTRATION HAS COMPLIED WITH THIS TITLE AND THE REGULATIONS ADOPTED
32 UNDER IT, THE SECRETARY OF STATE SHALL APPROVE THE APPLICATION.

33 (B) IF THE SECRETARY OF STATE FINDS THAT AN APPLICANT FOR
34 REGISTRATION HAS NOT COMPLIED WITH THIS TITLE AND THE REGULATIONS
35 ADOPTED UNDER IT APPLICABLE TO REGISTRATION, THE SECRETARY OF STATE:

1 (1) SHALL NOTIFY THE APPLICANT OF THE REASONS THE APPLICANT IS
2 NOT IN COMPLIANCE; AND

3 (2) FOR EACH MONTH OR PART OF A MONTH THAT THE APPLICANT IS
4 NOT IN COMPLIANCE, MAY ASSESS A FEE OF \$25 30 DAYS AFTER A SECOND NOTICE IS
5 SENT, BY REGULAR MAIL, TO THE APPLICANT AT THE ADDRESS ON FILE WITH THE
6 SECRETARY OF STATE.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
8 effect October 1, 2002.