

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

Senate Bill 79

(Chairman, Judicial Proceedings Committee)

(By Request – Departmental – Secretary of State)

Judicial Proceedings

Secretary of State - Solicitations Disclosure Statement

This departmental bill provides that while a person has a pending application to register as a charitable organization, the person must obtain the approval of the Secretary of State in order to solicit the public for charitable contributions. The bill also requires that written charitable solicitations to the public for any type of charitable contribution contain a disclosure statement.

Fiscal Summary

State Effect: None. The intermediate approval for a person seeking to solicit while an application is pending could be handled with existing resources.

Local Effect: None.

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.

Analysis

Current Law: To register as a charitable organization for solicitation purposes, a person must submit an application to the Secretary of State. While the application is pending, individuals may solicit the public unless and until the Circuit Court for Anne Arundel County or other court of competent jurisdiction orders the applicant to stop.

A disclosure statement is required only for written charitable solicitations for money. The disclosure statement must include:

- a statement that a copy of the current financial statement of the charitable organization is available on request;
- the name, address, and telephone number of the charitable organization; and
- a statement that registration documents and information are available from the Secretary of State.

Small Business Effect: While soliciting for contributions is allowed while an application is pending, the need for the Secretary of State's approval creates another procedural requirement that must be met before seeking donations. This could potentially lower the amount that a solicitor could collect in a given time period.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - January 24, 2005
ncs/hlb

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