

**Department of Legislative Services**  
Maryland General Assembly  
2006 Session

**FISCAL AND POLICY NOTE**

**Revised**

House Bill 1507

(Delegate Quinter)

Environmental Matters

Judicial Proceedings

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**Local Government - Workplace Giving Campaigns - Employee Choice of Recipient**

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This bill provides that if a county or municipal corporation allows its employees to participate in a workplace giving campaign, the county or municipal corporation must ensure that an employee is allowed to designate any eligible charitable organization as the recipient of charitable contributions. An “eligible charitable organization” means a nonprofit federation of health and human services, social welfare, or environmental agencies or associations that is registered with the Secretary of State. The Secretary of State must maintain a database or other electronic filing record that: (1) is accessible to the public via the Internet; and (2) includes the name of each nonprofit federation of health and human services, social welfare, or environmental agencies or associations that has been registered.

The bill does not apply to the following 15 counties: Allegany, Calvert, Caroline, Carroll, Cecil, Charles, Dorchester, Garrett, Kent, Queen Anne’s, St. Mary’s, Somerset, Washington, Wicomico, and Worcester.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** The bill’s requirements could be handled with existing resources of local jurisdictions that provide employee pay deductions for charitable giving.

**Small Business Effect:** None.

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## Analysis

**Current Law:** The Charitable Organizations Division within the Maryland Office of the Secretary of State annually registers, regulates, and renews charitable organizations, professional solicitors, and fund-raising counsel doing business in the State of Maryland. This includes the review of a charitable organization's financial and governing documents, as well as the review of all fund-raising contracts.

A nonprofit charity is deemed tax-exempt under Section 501(c)(3) of the federal Internal Revenue Code (IRC). It is permitted to receive charitable contributions that are considered deductible under IRC Section 170. The exempt purposes set forth in IRC Section 501(c)(3) are charitable, religious, educational, scientific, literary, testing for public safety, fostering national or international amateur sports competition, and the prevention of cruelty to children or animals.

**Background:** A nonprofit federation of charities is commonly called an "umbrella" charitable organization. An umbrella is an association of charities who work together formally to coordinate activities or pool resources. The umbrella organization provides resources and often an identity to the smaller charities. Common umbrella charitable organizations include the United Way of America and the Combined Health Agencies.

**Local Fiscal Effect:** Local jurisdictions that provide employee pay deductions for charities could handle the bill's requirements with existing budgeted resources. The bill would require a local jurisdiction to make any eligible charitable organization (umbrella group) that is registered with the Secretary of State available for employee payroll deduction. Montgomery County advises that the bill would have minimal or no fiscal impact on the county.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Kent County, Montgomery County, Washington County, Worcester County, Comptroller's Office, Department of Legislative Services

**Fiscal Note History:** First Reader - March 14, 2006  
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