

SENATE BILL 86

C2

8lr0038

(PRE-FILED)

By: **Chair, Judicial Proceedings Committee (By Request – Departmental – Secretary of State)**

Requested: September 13, 2017

Introduced and read first time: January 10, 2018

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Charitable Organizations – Registration Late Fees – Distribution and Use**

3 FOR the purpose of requiring certain late fees collected by the Secretary of State to be
4 distributed to the Charitable Enforcement Fund, to be used to support the actions of
5 the Secretary of State and the Attorney General to carry out certain duties relating
6 to the protection of charitable assets and the enforcement of the Maryland
7 Solicitations Act; making conforming changes; and generally relating to the
8 distribution and use of registration late fees and charitable organizations.

9 BY repealing and reenacting, with amendments,
10 Article – Business Regulation
11 Section 6–407
12 Annotated Code of Maryland
13 (2015 Replacement Volume and 2017 Supplement)

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

16 **Article – Business Regulation**

17 6–407.

18 (a) A charitable organization that collects less than \$25,000 in charitable
19 contributions from the public in a year need not pay an annual fee, except that, if the
20 charitable organization uses a professional solicitor, it shall pay an annual fee of \$50.

21 (b) (1) Each charitable organization that submits a separate registration
22 statement and collects at least \$25,000 in charitable contributions from the public in a year
23 shall pay an annual fee based on the charitable contributions collected.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) The annual fee shall be:

2 (i) \$50, if charitable contributions from the public are at least
3 \$25,000 but less than \$50,001;

4 (ii) \$75, if charitable contributions from the public are at least
5 \$50,001 but less than \$75,001;

6 (iii) \$100, if charitable contributions from the public are at least
7 \$75,001 but less than \$100,001;

8 (iv) \$200, if charitable contributions from the public are at least
9 \$100,001 but less than \$500,001; and

10 (v) \$300, if charitable contributions from the public are at least
11 \$500,001.

12 (c) (1) An organization failing to file an annual report either by the end of the
13 6-month period after the end of the charitable organization's fiscal year or within any
14 period of extension granted shall pay, in addition to the annual fee, \$25 for each month or
15 part thereof after the date on which the annual report was due to be filed or after the period
16 of extension granted for such filing.

17 (2) The late fee shall be assessed 60 days after:

18 (i) the end of the 6th month after the end of the fiscal year; or

19 (ii) the period of extension.

20 (3) Failure to remit an assessed late fee is a violation of this title.

21 (d) [Of the revenues collected from the annual fee under subsection (b)(2)(v) of
22 this section, \$100 of the annual fee paid by each charitable organization] **THE FOLLOWING**
23 **REVENUES** shall be distributed to the Charitable Enforcement Fund under Subtitle 2A of
24 this title, to be used only to support the actions of the Secretary of State and the Attorney
25 General in carrying out the duties of the Secretary of State and the Attorney General under
26 this title and Title 6.5 of this article:

27 **(1) \$100 OF THE ANNUAL FEE PAID BY EACH CHARITABLE**
28 **ORGANIZATION UNDER SUBSECTION (B)(2)(V) OF THIS SECTION; AND**

29 **(2) THE LATE FEES COLLECTED UNDER SUBSECTION (C) OF THIS**
30 **SECTION.**

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2018.