

MAINE STATE LEGISLATURE

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EMERGENCY
SECOND REGULAR SESSION

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 2090

H. P. 2015

House of Representatives, January 17, 1978

The Committee on Business Legislation suggested. Approved for introduction by the Legislative Council pursuant to Joint Rule 24.

EDWIN H. PERT, Clerk

Presented by Mrs. Trafton of Auburn

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-EIGHT

**AN ACT to Amend the Charitable Solicitations Act to Change the Responsibilities
of Religious and Small Organizations.**

Emergency Preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and
Whereas, the Charitable Solicitations Act is presently in effect; and

Whereas, certain provisions of the Act require immediate clarification to insure effective implementation of the Act; and

Whereas, in the absence of these clarifications, certain charitable organizations may be forced to comply with inappropriate requirements; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 9 MRSA § 5003, sub- § 9, 2nd sentence, as enacted by PL 1977, c. 488, § 1, is repealed and the following enacted in its place:

A bona fide full-time salaried officer or employee of a charitable organization, including an employee of a parent organization, shall not be deemed to be a professional fund-raising counsel unless that person's salary or other compensation is computed on the basis of funds to be raised or actually raised or the services performed by the person are performed on behalf of some organization other than the one which employs that person or a chapter, branch or affiliate thereof.

Sec. 2. 9 MRSA § 5004, sub- § 2, as enacted by PL 1977, c. 488, § 1, is repealed.

Sec. 3. 9 MRSA § 5005, sub- § 1, ¶¶'s A and B, as enacted by PL 1977, c. 488, § 1, are amended to read:

A. The principal officer of every charitable organization registered pursuant to section 5004 and receiving more than ~~\$10,000~~ \$30,000 in gross contributions during the organization's fiscal year; and

B. Any chapter, branch or affiliate of a parent organization which receives, separate from contributions to the parent organization, more than ~~\$10,000~~ \$30,000 in gross contributions during its fiscal year.

Sec. 4. 9 MRSA § 5006, sub-§ 1, ¶ B, as enacted by PL 1977, c. 488, § 1, is repealed and the following enacted in its place:

B. A religious corporation, trust, society or organization incorporated or established for religious purposes, except to the extent that the organization engages in the solicitation of funds or sales of goods or services to the general public by means of advertisements, personal contacts, mailings or telephone contacts. The term advertisement shall not be construed to include public service announcements;

Sec. 5. 9 MRSA § 5006, sub-§ 1, ¶ D, as enacted by PL 1977, c. 488, § 1, is amended to read:

D. Charitable organizations which do not intend to solicit and receive and do not actually solicit or receive contributions from the public in excess of ~~\$2,000~~ \$10,000 during a calendar year or do not receive contributions from more than 10 persons during a calendar year, if all fund-raising activities are carried on by persons who are unpaid for their services and if no part of the assets or income inures to the benefit of or is paid to any officer or member. If a charitable organization which does not intend to solicit or receive contributions from the public in excess of ~~\$2,000~~ \$10,000 during a calendar year does actually solicit or receive contributions in excess of such amount, whether or not all such contributions are received during a calendar year, the charitable organization shall, within 30 days after the date of contributions reach ~~\$2,000~~ \$10,000, register with and report to the Secretary of State as required by this Act;

Sec. 6. 9 MRSA § 5006, sub § 1, ¶ E, enacted by PL 1977, c. 488, § 1, is amended to read:

E. Educational institutions, the curriculums of which in whole or in part are registered or approved by the Department of Educational and Cultural Services, either directly or by acceptance of accreditation by an accrediting body recognized by the Department of Educational and Cultural Services, ~~provided that such educational institutions file with the Secretary of State duplicates of annual fiscal reports~~ and organizations operated by the student bodies of such institutions; and

Sec. 7. 9 MRSA § 5006, sub-§ 2, first sentence, as enacted by PL 1977, c. 488, § 1, is amended to read:

Any charitable organization which claims to be exempt from the registration provisions of this Act and which intends to or does solicit charitable contributions shall submit ~~annually~~, to the Secretary of State, a statement of the name, address and purpose of the organization and a statement setting forth the reason for the claim for exemption.

Sec. 8. 9 MRSA § 5015, as enacted by PL 1977, c. 488, § 1, is repealed.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

STATEMENT OF FACT

This bill does the following.

Section one clarifies the definition of professional fund-raising counsel.

Section 2 repeals the registration fee.

Sections 3 and 5 increase the dollar limit for registration and filing of fiscal reports.

Section 4 clarifies the religious exemption.

Section 6 deletes the requirement for filing duplicate fiscal reports for educational institutions.

Section 7 deletes the annual filing of an exemption statement.

Section 8 provides that fees under the Act go into the General Fund.