



114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 230

H.P. 165

House of Representatives, February 16, 1989

Submitted by the Department of Professional and Financial Regulation pursuant to Joint Rule 24.

Reference to the Committee on Business Legislation suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative STEVENS of Sabattus. Cosponsored by Senator BALDACCI of Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-NINE

An Act to Amend the Charitable Solicitations Act.

Be it enacted by the People of the State of Maine as follows: 1 Sec. 1. 9 MRSA §5004, sub-§2-A is enacted to read: 3 5 2-A. Fee for registration statement. Charitable organizations shall pay an initial and a renewal fee of \$25. 7 Sec. 2. 9 MRSA §5005, sub-§1, as amended by PL 1981, c. 456, 9 Pt. A, §26, is further amended to read: 11 Financial report. The following shall file a financial 1. report with the commissioner within-6-months-after-the-close-of the at the same time as the annual renewal registration statement 13 is filed; this financial report shall cover the organization's 15 most recently audited fiscal year: 17 A. The principal officer of every charitable organization registered pursuant to section 5004 and receiving more than 19 \$30,000 in gross contributions during the organization's fiscal year; and 21 Β. Any chapter, branch or affiliate of а parent organization which receives, separate from contributions to 23 the parent organization, more than \$30,000 in gross 25 contributions during its fiscal year. 27 Sec. 3. 9 MRSA §5006, sub-§2, as amended by PL 1981, c. 456, Pt. A, §30, is repealed. 29 Sec. 4. 9 MRSA §5012, as amended by PL 1979, c. 678, §11 is repealed and the following enacted in its place: 31 33 §5012. Charitable solicitation disclosure 35 It shall be a violation of this chapter for: 1. Solicitation of contributions. Any person to solicit 37 contributions from a prospective donor without fully disclosing 39 to the prospective donor, at the time of solicitation but prior to the request for contributions, the name and address of the charitable organization for which the solicitation is being 41 conducted; and 43 2. Solicitation by a professional charitable fund raiser. Any professional fund-raising counsel, professional solicitor or 45 commercial coventurer, or any of its agents or persons acting on its behalf, to solicit contributions from a prospective donor 47 without fully disclosing to the prospective donor at the time of 49 solicitation but prior to the request for contributions:

	counsel, professional solicitor or commercial coventurer; and
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	B. The following statement:
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	"(Insert name of professional fund-raising counsel,
7	<u>professional solicitor or commercial coventurer) is a</u>
	professional charitable fund raiser."
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11	
TT	STATEMENT OF FACT
13	
10	Recent court decisions have invalidated major portions of
15	the Charitable Solicitations Act, which protects Maine consumers
	by requiring professional fundraisers to disclose information to
17	prospective donors. This bill changes the law to conform with
	the court rulings.
19	
	This bill makes the following changes in the Charitable
21	Solicitations Act.
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23	Section 1 enables the Department of Professional and
25	Financial Regulation to charge a small registration and renewal
25	fee to fund the program.
27	Section 2 makes the filing of the required financial reports
21	coincide with the annual renewal deadline.
29	coincide with the annual lenewal deduine.
	Section 3 removes the requirement that charitable
31	organizations, exempt from the registration provision, file an
	exemption statement with the Department of Professional and
33	Financial Regulation.
35	Section 4 requires professional fund raisers to disclose

A. The name and address of the professional fund-raising

Section 4 requires professional function that fact when conducting solicitations.

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