



125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 1566

H.P. 1151

House of Representatives, May 11, 2011

An Act To Require Disclosures by 3rd-party Vendors Contracted To Perform Fund-raising

(AFTER DEADLINE)

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Labor, Commerce, Research and Economic Development suggested and ordered printed.

fleth & Puit

HEATHER J.R. PRIEST Clerk

Presented by Representative DAMON of Bangor.

Cosponsored by Representatives: FOSTER of Augusta, MAKER of Calais, O'CONNOR of Berwick, PARKER of Veazie, RIOUX of Winterport, SIROCKI of Scarborough, TURNER of Burlington, WINTLE of Garland.

Printed on recycled paper

1 **Emergency preamble. Whereas,** acts and resolves of the Legislature do not 2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 Whereas, charitable solicitations are frequent occurrences; and

4 **Whereas,** without better disclosure requirements, citizens of Maine may be 5 deceived into contributing more money than they would if adequately informed; and

6 **Whereas,** in order to ensure that Maine citizens are adequately informed, it is 7 imperative that this measure take effect as soon as possible; and

8 **Whereas,** in the judgment of the Legislature, these facts create an emergency within 9 the meaning of the Constitution of Maine and require the following legislation as 10 immediately necessary for the preservation of the public peace, health and safety; now, 11 therefore,

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

13 Sec. 1. 9 MRSA §5011-A, sub-§4, as enacted by PL 2003, c. 541, §15, is
 14 amended to read:

4. Disclosure of information. Solicit a contribution from any person in this State
 without clearly and conspicuously disclosing to the person, prior to the time the person
 makes or authorizes payment of a donation:

- 18 A. The name and address of the professional solicitor;
- B. That the solicitor is being paid by the charitable organization on whose behalf thesolicitation is being made; and
- C. How the potential contributor may obtain information from the State on the
 respective percentages of contributions that will be paid to the charitable organization
 and to the paid fund-raiser-<u>; and</u>
- 24D. If the professional solicitor is paid on a percentage of donation basis and that25percentage exceeds 25% of the donation:
- 26 (1) The percentage of the donation that the professional solicitor receives;
- 27 (2) The percentage of the donation that the charitable organization receives;
- 28 (3) Whether the donation is sent by the person to the charitable organization or
 29 to the professional solicitor; and
- 30 (4) Whether the professional solicitor is paid prior to or after the distribution of
 31 the donation to the charitable organization.
- 32 **Emergency clause.** In view of the emergency cited in the preamble, this 33 legislation takes effect when approved.

| 1 | SUMMARY |
|----|--|
| 2 | Current law places certain restrictions on professional solicitors, who are persons or |
| 3 | companies that solicit donations on behalf of charitable organizations. |
| 4 | This bill requires a professional solicitor who receives more than 25% of the solicited |
| 5 | donation to disclose to the donator the percentage of the donation the professional |
| 6 | solicitor receives, the percentage of the donation the charitable organization receives, |
| 7 | whether the donation is sent by the donator to the professional solicitor or to the |
| 8 | charitable organization and whether the professional solicitor's fee is paid prior to or after |
| 9 | the distribution of the donation to the charitable organization. |
| 10 | As under the current law, a failure to make the disclosures required by this bill is a |
| 11 | violation of the Maine Unfair Trade Practices Act and an intentional violation is a Class |
| 12 | D crime. |