

FOR the purpose of altering provisions of the Maryland Charitable Solicitations Act to require a charitable organization to be in total compliance prior to soliciting the public; authorizing a noncompliant applicant for registration to request a hearing with the Secretary of State under certain circumstances; establishing the burden of proof in a court proceeding based on a certain appeal by a charitable organization; altering the enforcement provisions of the Act; altering the type of charitable solicitation that is required to contain a disclosure statement; and generally relating to the Maryland Charitable Solicitations Act.

BY repealing and reenacting, with amendments,

Article - Business Regulation

Section 6-401, 6-404, 6-406, and 6-411(b)(1)

Annotated Code of Maryland

(2004 Replacement Volume and 2005 Supplement)

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

Article - Business Regulations

6-401.

(a) A charitable organization shall [submit a registration statement to] REGISTER AND RECEIVE A REGISTRATION LETTER FROM the Secretary of State before the charitable organization:

- (1) solicits charitable contributions in the State;
- (2) has charitable contributions solicited on its behalf in the State; or
- (3) solicits charitable contributions outside of the State, if the charitable organization is in the State.

(b) A separate registration statement [shall be submitted by each] AND A REGISTRATION LETTER IS NECESSARY BEFORE ANY OF THE FOLLOWING charitable [organization that is] ORGANIZATIONS CAN SOLICIT:

(1) a federated fund-raising organization consisting of independent charitable organizations, including a united fund and a community chest, that:

(i) have joined to solicit charitable contributions and distribute them among themselves; but

(ii) keep their own operating authority and control; or

(2) an independent charitable organization, including one that is a member of a federated fund-raising organization, unless it is specifically exempted or it does not solicit charitable contributions other than as a member of a federated fund-raising organization.