



General Assembly

February Session, 2000

**Amendment**

LCO No. 3547

Offered by:

SEN. GUNTHER, 21<sup>st</sup> Dist.

To: Senate Bill No. 365                      File No. 136              Cal. No. 151  
(As Amended by Senate Amendment Schedule "A")

**"An Act Concerning Telephone Solicitation."**

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1        After section 2, insert the following and renumber the remaining  
2        section accordingly:

3        "Sec. 3. Section 21a-190b of the general statutes is repealed and the  
4        following is substituted in lieu thereof:

5        Every charitable organization not exempted by section 21a-190d  
6        shall register with the department prior to conducting any solicitation  
7        or prior to having any solicitation conducted on its behalf by others.  
8        Application for registration shall be made on forms prescribed by the  
9        department and shall include payment of a fee of [twenty] two  
10       hundred fifty dollars. Two authorized officers of the organization shall  
11       sign the registration form and shall certify that the statements therein  
12       are true and correct to the best of their knowledge. A chapter, branch  
13       or affiliate in this state of a registered parent organization shall not be  
14       required to register provided the principal office of the parent  
15       organization is located in this state and provided the parent  
16       organization files a consolidated annual report for itself and its

17 chapter, branch or affiliate.

18 Sec. 4. Subsection (a) of section 21a-190c of the general statutes is  
19 repealed and the following is substituted in lieu thereof:

20 (a) Every charitable organization required to register pursuant to  
21 section 21a-190b, as amended by section 3 of this act, shall annually file  
22 with the department a report for its most recently completed fiscal  
23 year, which report shall include a financial statement and such other  
24 information as the commissioner may require. Such report shall  
25 include an itemized list of (1) all funds raised with the assistance of  
26 any fund-raising counsel or paid solicitor, or both, and (2) the  
27 percentage of such funds that any such fund-raising counsel or paid  
28 solicitor retained or was paid. Such charitable organization shall file  
29 such report not more than five months following the close of its fiscal  
30 year, which report shall be accompanied by a fee of twenty-five dollars  
31 and shall be signed by two authorized officers of the organization, one  
32 of whom shall be the chief fiscal officer of the organization. The  
33 information contained in such report shall be available to the public.  
34 Such officers shall certify that such report is true and correct to the best  
35 of their knowledge. The commissioner shall prescribe the form of the  
36 report and may prescribe standards for its completion. The  
37 commissioner may accept, under such conditions as he may prescribe,  
38 a copy or duplicate original of financial statements, reports or returns  
39 filed by the charitable organization with the Internal Revenue Service  
40 or another state having requirements similar to the provisions of  
41 sections 21a-190a to 21a-190l, inclusive, as amended by this act.

42 Sec. 5. Subsection (a) of section 21a-190e of the general statutes is  
43 repealed and the following is substituted in lieu thereof:

44 (a) Each contract between a charitable organization and a fund-  
45 raising counsel shall be in writing and shall be filed by the fund-raising  
46 counsel with the department at least fifteen days prior to the  
47 performance by the fund-raising counsel of any material services  
48 pursuant to such contract. The contract shall contain such information

49 as will enable the department to identify the services the fund-raising  
50 counsel is to provide and the manner and amount of [his] such fund-  
51 raising counsel's compensation. Immediately prior to the start of the  
52 solicitation event or campaign that is the subject of such contract, the  
53 Department of Consumer Protection shall place an advertisement in a  
54 newspaper having a substantial circulation in the town or towns in  
55 which the solicitation event or campaign is to occur. Such  
56 advertisement shall describe the terms of the contract between the  
57 fund-raising counsel and the charitable organization and shall include  
58 the percentage of the raised funds to be retained by the fund-raising  
59 counsel. The cost of such advertisement shall be paid to the  
60 department by the fund-raising counsel in the form of a fee at the time  
61 such contract is filed with the department.

62 Sec. 6. Section 21a-190f of the general statutes is repealed and the  
63 following is substituted in lieu thereof:

64 (a) No person shall act as a paid solicitor unless [he] such person has  
65 first registered with the department. Applications for registration and  
66 for the renewal of a registration shall be in writing, under oath, in the  
67 form prescribed by the department and shall be accompanied by a fee  
68 in the amount of one [hundred twenty] thousand dollars. The  
69 application shall contain such information as the department shall  
70 require. Each registration shall be valid for one year and may be  
71 renewed for additional one-year periods.

72 (b) An applicant for registration or for a renewal of registration as a  
73 paid solicitor shall, at the time of making such application, file with  
74 and have approved by the department a bond, in which the applicant  
75 shall be the principal obligor in the sum of twenty thousand dollars,  
76 with one or more responsible sureties whose liability in the aggregate  
77 as such sureties shall be no less than such sum. The paid solicitor shall  
78 maintain the bond in effect as long as the registration is in effect. The  
79 bond shall run to the state and to any person who may have a cause of  
80 action against the principal obligor of the bond for any liabilities  
81 resulting from the obligor's conduct of any activities subject to sections

82 21a-190a to 21a-190l, inclusive, as amended by this act, or arising out of  
83 a violation of said sections or any regulation adopted pursuant to said  
84 sections.

85 (c) No less than twenty days prior to the commencement of each  
86 solicitation campaign, a paid solicitor shall file with the department a  
87 copy of the contract described in subsection (d) of this section. [and  
88 shall] Immediately prior to the start of the solicitation event or  
89 campaign that is the subject of such contract, the Department of  
90 Consumer Protection shall place an advertisement in a newspaper  
91 having a substantial circulation in the town or towns in which the  
92 solicitation event or campaign is to occur. Such advertisement shall  
93 describe the terms of the contract between the paid solicitor and the  
94 charitable organization and shall include the percentage of the raised  
95 funds to be retained by the paid solicitor. The cost of such  
96 advertisement shall be paid to the department by the paid solicitor in  
97 the form of a fee at the time such contract is filed with the department.  
98 The paid solicitor shall also file a completed solicitation notice on  
99 forms prescribed by the department. A solicitation notice shall be in  
100 writing and under oath, and shall include a description of the  
101 solicitation event or campaign, the location and telephone number  
102 from which the solicitation is to be conducted, the names and  
103 residence addresses of all employees, agents or other persons however  
104 styled who are to solicit during such campaign and the account  
105 number and location of all bank accounts where receipts from such  
106 campaign are to be deposited. Copies of campaign solicitation  
107 literature, including the text of any solicitation to be made orally, shall  
108 be attached to the solicitation notice. The charitable organization on  
109 whose behalf the paid solicitor is acting shall certify that the  
110 solicitation notice and accompanying material are true and complete.

111 (d) A contract between a paid solicitor and a charitable organization  
112 shall be in writing, shall clearly state the respective obligations of the  
113 paid solicitor and the charitable organization and shall state the  
114 minimum amount which the charitable organization shall receive as a  
115 result of the solicitation campaign, which minimum amount shall be

116 stated as a percentage of the gross revenue. Such minimum amount  
117 shall not include any amount which the charitable organization is to  
118 pay as expenses of the solicitation campaign.

119 (e) A paid solicitor shall, prior to orally requesting a contribution,  
120 and at the same time at which a written request for a contribution is  
121 made, clearly and conspicuously disclose at the point of solicitation  
122 [his] such paid solicitor's name as on file with the department, the fact  
123 that [he] such paid solicitor is a paid solicitor and the percentage of the  
124 gross revenue which the charitable organization shall receive as  
125 identified in subsection (d) of this section.

126 (f) A paid solicitor shall, in the case of a solicitation campaign  
127 conducted orally, whether by telephone or otherwise, send a written  
128 confirmation to each person who has pledged to contribute, no more  
129 than five days after such person has been solicited, which confirmation  
130 shall include a clear and conspicuous disclosure of the information  
131 required by subsection (e) of this section.

132 (g) A paid solicitor shall not represent that any part of the  
133 contributions received will be given or donated to any charitable  
134 organization unless such organization has consented in writing to the  
135 use of its name, prior to the solicitation. Such written consent shall be  
136 signed by two authorized officers, directors or trustees of the  
137 charitable organization.

138 (h) No paid solicitor shall represent that tickets to an event are to be  
139 donated for use by another, unless the paid solicitor has first obtained  
140 a commitment, in writing, from a charitable organization stating that it  
141 will accept donated tickets and specifying the number of tickets which  
142 it is willing to accept and provided no more contributions for donated  
143 tickets shall be solicited than the number of ticket commitments  
144 received from the charitable organization.

145 (i) A paid solicitor shall require any person [he] such paid solicitor  
146 directly or indirectly employs, procures or engages to solicit to comply  
147 with the provisions of subsections (e) to (h), inclusive, of this section.

148 (j) A paid solicitor shall file a financial report for the campaign with  
149 the department no more than ninety days after a solicitation campaign  
150 has been completed, and on the anniversary of the commencement of  
151 any solicitation campaign which lasts more than one year. The  
152 financial report shall include gross revenue and an itemization of all  
153 expenditures incurred. The report shall be completed on a form  
154 prescribed by the department. An authorized official of the paid  
155 solicitor and two authorized officials of the charitable organization  
156 shall sign such report and they shall certify, under oath, that such  
157 report is true and complete to the best of their knowledge.

158 (k) A paid solicitor shall maintain during each solicitation campaign  
159 and for not less than three years after the completion of each such  
160 campaign the following records, which shall be available to the  
161 department for inspection upon request: (1) The name and address of  
162 each contributor and the date and amount of the contribution,  
163 provided the department shall not disclose this information except to  
164 the extent necessary for investigative or law enforcement purposes; (2)  
165 the name and residence of each employee, agent or other person  
166 involved in the solicitation; and (3) records of all income received and  
167 expenses incurred in the course of the solicitation campaign.

168 (l) If a paid solicitor sells tickets to an event and represents that  
169 tickets will be donated for use by another, the paid solicitor shall  
170 maintain, for not less than three years after the completion of such  
171 event, the following records, which shall be available to the  
172 department for inspection upon request: (1) The name and address of  
173 contributors donating tickets and the number of tickets donated by  
174 each contributor; and (2) the name and address of all organizations  
175 receiving donated tickets for use by others, including the number of  
176 tickets received by each organization.

177 (m) All funds collected by the paid solicitor shall be deposited in a  
178 bank account. The bank account shall be in the name of the charitable  
179 organization with whom the paid solicitor has contracted and the  
180 charitable organization shall have sole or joint control of the account.

181 (n) Any material change in any information filed with the  
182 department pursuant to this section shall be reported in writing by the  
183 paid solicitor to the department not more than seven days after such  
184 change occurs.

185 (o) No person may act as a paid solicitor if such person, any officer  
186 or director thereof, any person with a controlling interest therein, or  
187 any person the paid solicitor employs, engages or procures to solicit  
188 for compensation, has been convicted by a court of any state or the  
189 United States of any felony, or of any misdemeanor involving  
190 dishonesty or arising from the conduct of a solicitation for a charitable  
191 organization or purpose. Any denial, suspension or revocation of the  
192 registration of a paid solicitor based on a violation of this subsection  
193 shall be made in accordance with the provisions of section 46a-80.

194 Sec. 7. Section 21a-190k of the general statutes is repealed and the  
195 following is substituted in lieu thereof:

196 The commissioner may create a commission and adopt regulations  
197 in accordance with the provisions of chapter 54 in order to carry out  
198 and enforce the provisions of sections 21a-190a to 21a-190l, inclusive,  
199 as amended by this act."