



General Assembly

February Session, 2004

Raised Bill No. 5312

LCO No. 1089

01089_____PS_

Referred to Committee on Public Safety

Introduced by:
(PS)

AN ACT REQUIRING PAID SOLICITORS TO FILE FINANCIAL REPORTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 21a-190f of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2004*):

3 (a) No person shall act as a paid solicitor unless he has first
4 registered with the department. Applications for registration and for
5 the renewal of a registration shall be in writing, under oath, in the form
6 prescribed by the department and shall be accompanied by a fee in the
7 amount of one hundred twenty dollars. The application shall contain
8 such information as the department shall require. Each registration
9 shall be valid for one year and may be renewed for additional one-year
10 periods.

11 (b) An applicant for registration or for a renewal of registration as a
12 paid solicitor shall, at the time of making such application, file with
13 and have approved by the department a bond, in which the applicant
14 shall be the principal obligor in the sum of twenty thousand dollars,
15 with one or more responsible sureties whose liability in the aggregate

16 as such sureties shall be no less than such sum. The paid solicitor shall
17 maintain the bond in effect as long as the registration is in effect. The
18 bond shall run to the state and to any person who may have a cause of
19 action against the principal obligor of the bond for any liabilities
20 resulting from the obligor's conduct of any activities subject to sections
21 21a-190a to 21a-190l, inclusive, as amended, or arising out of a
22 violation of said sections or any regulation adopted pursuant to said
23 sections.

24 (c) No less than twenty days prior to the commencement of each
25 solicitation campaign, a paid solicitor shall file with the department a
26 copy of the contract described in subsection (d) of this section and shall
27 file a completed solicitation notice on forms prescribed by the
28 department. A solicitation notice shall be in writing and under oath,
29 and shall include a description of the solicitation event or campaign,
30 the location and telephone number from which the solicitation is to be
31 conducted, the names and residence addresses of all employees, agents
32 or other persons however styled who are to solicit during such
33 campaign and the account number and location of all bank accounts
34 where receipts from such campaign are to be deposited. Copies of
35 campaign solicitation literature, including the text of any solicitation to
36 be made orally, shall be attached to the solicitation notice. The
37 charitable organization on whose behalf the paid solicitor is acting
38 shall certify that the solicitation notice and accompanying material are
39 true and complete.

40 (d) A contract between a paid solicitor and a charitable organization
41 shall be in writing, shall clearly state the respective obligations of the
42 paid solicitor and the charitable organization and shall state the
43 minimum amount which the charitable organization shall receive as a
44 result of the solicitation campaign, which minimum amount shall be
45 stated as a percentage of the gross revenue. Such minimum amount
46 shall not include any amount which the charitable organization is to
47 pay as expenses of the solicitation campaign.

48 (e) A paid solicitor shall, prior to orally requesting a contribution,
49 and at the same time at which a written request for a contribution is
50 made, clearly and conspicuously disclose at the point of solicitation his
51 name as on file with the department, the fact that he is a paid solicitor
52 and the percentage of the gross revenue which the charitable
53 organization shall receive as identified in subsection (d) of this section.

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

60 (g) A paid solicitor shall not represent that any part of the
61 contributions received will be given or donated to any charitable
62 organization unless such organization has consented in writing to the
63 use of its name, prior to the solicitation. Such written consent shall be
64 signed by two authorized officers, directors or trustees of the
65 charitable organization.

66 (h) No paid solicitor shall represent that tickets to an event are to be
67 donated for use by another, unless the paid solicitor has first obtained
68 a commitment, in writing, from a charitable organization stating that it
69 will accept donated tickets and specifying the number of tickets which
70 it is willing to accept and provided no more contributions for donated
71 tickets shall be solicited than the number of ticket commitments
72 received from the charitable organization.

73 (i) A paid solicitor shall require any person he directly or indirectly
74 employs, procures or engages to solicit to comply with the provisions
75 of subsections (e) to (h), inclusive, of this section.

76 (j) A paid solicitor shall file a financial report for the campaign with
77 the department no more than ninety days after a solicitation campaign
78 has been completed, and on the anniversary of the commencement of

79 any solicitation campaign which lasts more than one year. The
80 financial report shall include gross revenue and an itemization of all
81 expenditures incurred. The report shall be completed on a form
82 prescribed by the department. An authorized official of the paid
83 solicitor and two authorized officials of the charitable organization
84 shall sign such report and they shall certify, under oath, that such
85 report is true and complete to the best of their knowledge.

86 (k) A paid solicitor shall file a quarterly financial report with the
87 department for each solicitation campaign conducted for a charitable
88 organization. The financial report shall include the name, address,
89 method of payment and telephone number of each contributor on a
90 form prescribed by the department.

91 ~~[(k)]~~ (l) A paid solicitor shall maintain during each solicitation
92 campaign and for not less than three years after the completion of each
93 such campaign the following records, which shall be available to the
94 department for inspection upon request: (1) The name and address of
95 each contributor and the date and amount of the contribution,
96 provided the department shall not disclose this information except to
97 the extent necessary for investigative or law enforcement purposes; (2)
98 the name and residence of each employee, agent or other person
99 involved in the solicitation; and (3) records of all income received and
100 expenses incurred in the course of the solicitation campaign.

101 ~~[(l)]~~ (m) If a paid solicitor sells tickets to an event and represents that
102 tickets will be donated for use by another, the paid solicitor shall
103 maintain, for not less than three years after the completion of such
104 event, the following records, which shall be available to the
105 department for inspection upon request: (1) The name and address of
106 contributors donating tickets and the number of tickets donated by
107 each contributor; and (2) the name and address of all organizations
108 receiving donated tickets for use by others, including the number of
109 tickets received by each organization.

110 ~~[(m)]~~ (n) All funds collected by the paid solicitor shall be deposited

111 in a bank account. The bank account shall be in the name of the
112 charitable organization with whom the paid solicitor has contracted
113 and the charitable organization shall have sole or joint control of the
114 account.

115 [(n)] (o) Any material change in any information filed with the
116 department pursuant to this section shall be reported in writing by the
117 paid solicitor to the department not more than seven days after such
118 change occurs.

119 [(o)] (p) No person may act as a paid solicitor if such person, any
120 officer or director thereof, any person with a controlling interest
121 therein, or any person the paid solicitor employs, engages or procures
122 to solicit for compensation, has been convicted by a court of any state
123 or the United States of any felony, or of any misdemeanor involving
124 dishonesty or arising from the conduct of a solicitation for a charitable
125 organization or purpose. Any denial, suspension or revocation of the
126 registration of a paid solicitor based on a violation of this subsection
127 shall be made in accordance with the provisions of section 46a-80.

This act shall take effect as follows:	
Section 1	October 1, 2004

Statement of Purpose:

To require a paid solicitor to file a quarterly financial report for each solicitation campaign for each charitable organization.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]