



General Assembly

January Session, 2005

Amendment

LCO No. 4476

SB0094604476SRO

Offered by:
SEN. GUNTHER, 21st Dist.

To: Senate Bill No. 946

File No. 19

Cal. No. 57

"AN ACT CONCERNING THE SOLICITATION OF CHARITABLE FUNDS ACT."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 21a-190b of the general statutes is repealed and
4 the following is substituted in lieu thereof (*Effective October 1, 2005*):

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. 2. Subsection (a) of section 21a-190c of the general statutes is
19 repealed and the following is substituted in lieu thereof (*Effective*
20 *October 1, 2005*):

21 (a) Every charitable organization required to register pursuant to
22 section 21a-190b, as amended by this act, shall annually file with the
23 department a report for its most recently completed fiscal year, which
24 report shall include (1) a financial statement, (2) an itemized list of (A)
25 all funds raised with the assistance of any fund-raising counsel or paid
26 solicitor, or both, and (B) the percentage of such funds that any such
27 fund-raising counsel or paid solicitor retained or was paid, and (3)
28 such other information as the commissioner may require. Such
29 charitable organization shall file such report not more than five
30 months following the close of its fiscal year, which report shall be
31 accompanied by a fee of twenty-five dollars and shall be signed by two
32 authorized officers of the organization, one of whom shall be the chief
33 fiscal officer of the organization. The information contained in such
34 report shall be available to the public. Such officers shall certify that
35 such report is true and correct to the best of their knowledge. The
36 commissioner shall prescribe the form of the report and may prescribe
37 standards for its completion. The commissioner may accept, under
38 such conditions as said commissioner may prescribe, a copy or
39 duplicate original of financial statements, reports or returns filed by
40 the charitable organization with the Internal Revenue Service or
41 another state having requirements similar to the provisions of sections
42 21a-190a to 21a-190l, inclusive, as amended by this act.

43 Sec. 3. Subsection (a) of section 21a-190e of the general statutes is
44 repealed and the following is substituted in lieu thereof (*Effective*
45 *October 1, 2005*):

46 (a) Each contract between a charitable organization and a fund-
47 raising counsel shall be in writing and shall be filed by the fund-raising

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

64 Sec. 4. Section 21a-190f of the general statutes is repealed and the
65 following is substituted in lieu thereof (*Effective October 1, 2005*):

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

74 (b) An applicant for registration or for a renewal of registration as a
75 paid solicitor shall, at the time of making such application, file with
76 and have approved by the department a bond, in which the applicant
77 shall be the principal obligor in the sum of twenty thousand dollars,
78 with one or more responsible sureties whose liability in the aggregate
79 as such sureties shall be no less than such sum. The paid solicitor shall
80 maintain the bond in effect as long as the registration is in effect. The

81 bond shall run to the state and to any person who may have a cause of
82 action against the principal obligor of the bond for any liabilities
83 resulting from the obligor's conduct of any activities subject to sections
84 21a-190a to 21a-190l, inclusive, as amended by this act, or arising out of
85 a violation of said sections or any regulation adopted pursuant to said
86 sections.

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

113 (d) A contract between a paid solicitor and a charitable organization
114 shall be in writing, shall clearly state the respective obligations of the

115 paid solicitor and the charitable organization and shall state the
116 minimum amount [which] that the charitable organization shall
117 receive as a result of the solicitation campaign, which minimum
118 amount shall be stated as a percentage of the gross revenue. Such
119 minimum amount shall not include any amount [which] that the
120 charitable organization is to pay as expenses of the solicitation
121 campaign.

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

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

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

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

147 ticket commitments received from the charitable organization.

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

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

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

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

179 tickets received by each organization.

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

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

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

197 Sec. 5. Section 21a-190k of the general statutes is repealed and the
 198 following is substituted in lieu thereof (*Effective October 1, 2005*):

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

203

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2005</i>	21a-190b
Sec. 2	<i>October 1, 2005</i>	21a-190c(a)
Sec. 3	<i>October 1, 2005</i>	21a-190e(a)

Sec. 4	<i>October 1, 2005</i>	21a-190f
Sec. 5	<i>October 1, 2005</i>	21a-190k