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Maine Passes an Act to Streamline the Charitable Solicitations Act

Maine generally requires a charitable organization to [become licensed](#) with the state before it solicits, accepts, or obtains contributions in the state. To become licensed, a charitable organization must file an initial registration form, certain other information such as copies of contracts with professional solicitors or professional fundraising counsel, and annual renewal applications that include supporting documentation such as an Annual Fundraising Activity Report. (MRSA Sections 5004, 5005-B) Maine also allows charitable organizations to claim exemption from this licensing requirement under certain circumstances.

Maine recently made a number of changes to its licensing requirements with the enactment of [L.D. 1277](#), “An Act to Streamline the Charitable Solicitations Act.” Effective October 8, 2013, these changes include:

- (1) Removing the licensing requirements imposed on businesses engaged in commercial co-ventures (e.g., companies that sell goods advertised in conjunction with a charitable organization for profit);
- (2) Expanding the exemption threshold to include charitable organizations that raise \$35,000 or less or receive contributions from 35 or fewer persons in a calendar year; and
- (3) Expanding the exemption to include a charitable organization that solicits primarily within its membership, irrespective of whether the solicitation activities are conducted by members.

Charitable organizations exempt from the licensing requirement are still required to submit the initial and annual registration forms for exempt organizations that set forth their basis for the exemption. (MRSA Section 5006-3) Professional solicitors and professional fundraising counsel should also take note of the numerous changes made by L.D. 1277 to their respective filing requirements.

An updated white paper by the Maine Association of Nonprofits on Maine’s fundraising and charitable solicitations laws, including the changes made by L.D. 1277, is available [here](#).

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Nonprofit Law Matters looks at legal issues in the nonprofit and tax-exempt organizations world. Written by the attorneys and paralegals of Adler & Colvin, it provides updates and analysis regarding philanthropy, charity, and other exempt organization issues.

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