



**House State and Local Government Committee
Mike Rodgers, Ohio Attorney General's Office
October 13, 2021**

Good Morning Chairman Wiggam, Vice Chair John, Ranking Member Kelly and members of the House State and Local Government Committee. My name is Mike Rodgers and I am the Policy Director for the Attorney General's Office (AGO). I am here to testify today pursuant to Senate Bill 255 of the 132nd General Assembly with regards to occupations which the AGO licenses.

By way of background as it relates to occupational licensure by the AGO, the office does not issue any kind of license as required by the Ohio Revised Code. Rather, the AGO is required to register individuals wishing to conduct business in the state of Ohio. Under current law, the AGO oversees the registration of three professions which entail professional soliciting, fundraising counsel, and telephone soliciting. In the interest of time, I will summarize the professions we cover and their respective registration requirements rather than going through the entirety of the packet of information we previously submitted to the committee.

Charitable Law Registration – Professional Solicitor

Professional solicitors are hired by charities across the state to conduct fundraising campaigns and are required to register with the AGO annually. Solicitors pay an annual \$200 fee which enables them to operate an unlimited number of fundraising campaigns for any charity. In addition to their application which accompanies the fee, they are required to provide a solicitation notice for each campaign they will conduct with a corresponding financial report. Ohio is one of 40 states that currently requires professional solicitors to register.

In 2020, 90 solicitors conducted 886 separate fundraising campaigns were active and 743 financial reports were received to accompany those reports. It is important to note the discrepancy between the number of campaigns and reports received. First, it is not uncommon for a solicitor to conduct a campaign and raise \$0 for the charity as solicitors are routinely hired to promote the charity rather than actually fundraise. Second, there is no limit on the duration of a fundraising campaign so a solicitor could be held on retainer should the charity decide to exercise that authority.

Accordingly, the AGO would be supportive of any legislative efforts to reform the current regulatory environment for professional solicitors. This would come in the form of an increase in the annual registration fee, imposing a per campaign fee and 3-year time limit on campaigns, and implementing disclosure and reporting requirements to promote transparency and consumer protection. The fee adjustment would enable the Charitable Law Section to provide additional oversight and resources to charities and their solicitors to ensure Ohio donors are getting the most bang for their buck when it comes to supporting Ohio's charities.

Charitable Law Registration – Fundraising Counsel

Fundraising Counsel work in concert with the solicitor by preparing the solicitation pitch and provide administrative support without making the ask themselves. Like their solicitor counterparts, they pay an annual \$200 fee. They are only required to register if they will at any time have custody of any charitable contribution from a solicitation conducted in Ohio. Accordingly, they must submit an accounting of all contributions collected and expenses paid on behalf of the charity they are working for. Ohio is one of 28 states that requires fundraising counsel to register.

In 2020, 2 fundraising counsel registered which is a decrease from 3 who registered in 2019. This number is incredibly low given the number of charities and solicitors across the state. Accordingly, the AGO would be supportive of legislative efforts which would capture more data from counsel. The AGO would suggest fundraising counsel be required to complete registration and submit an accounting document with our office regardless if they maintain custody of contributions. This would give the Charitable Law Section a better understanding of what organizations operating in this space are active which would promote more effective oversight of fundraising counsel.

Consumer Protection Registration – Telephone Solicitor

Telephone Solicitors engage in consumer sales via telephone solicitation either in Ohio or to its residents. Telephone solicitors pay an initial \$250 fee for registration and \$250 each year they continue to operate. This fee, set in statute, has not been adjusted since 1997. In 2020, 11 new telephone solicitors applied and were granted a registration while 7 registrations were renewed. So far in 2021, 19 solicitors have applied, 11 of them were registration renewals, and 3 of them have been granted a registration. Additionally, telephone solicitors are required to maintain a \$50,000 surety bond, provide specific verbal disclosures, and evidence transactions with the necessary disclosures and cancellation rights. Ohio is one of 33 states that currently requires some form of registration and regulation of telephone solicitors.

Conclusion

Chairman Wiggam and members of the committee, thank you again for allowing me to testify on the three registrations the AGO issues each year. I would be happy to take any questions at this time.