

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 483
Economic Matters

(Delegate Wolek)

Judicial Proceedings

Business Regulation - Charitable Organizations - Audit and Review Thresholds

This bill increases the minimum gross income amounts from charitable contributions above which a charitable organization must include a certain audit or review with a registration statement. The bill increases the threshold for an audit from \$750,000 to \$1,000,000 and for a review from \$300,000 to \$400,000. The bill further authorizes the Secretary of State (SOS) to accept certain documentation in place of an audit or review in connection with a charitable organization’s registration statement, if the charitable contributions do not exceed \$400,000 (up from \$300,000) and amount to 20% or less of the total gross income. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: Any costs associated with updating online filing systems and otherwise implementing the bill are minimal and can likely be absorbed within existing budgeted resources. Revenues are not materially affected.

Local Effect: None.

Small Business Effect: None. Charitable organizations are not considered small businesses.

Analysis

Current Law: A “charitable contribution” is a contribution made on a representation that it will be used for a charitable purpose. A charitable contribution includes the payment, transfer, or enforceable pledge of financial help, including money, credit, property, or services.

However, a charitable contribution does not include:

- an unsolicited gift;
- a government grant or government money;
- membership assessments, dues, or fines;
- a payment for property sold (or services rendered) by a charitable organization – unless the property is sold or the services rendered in connection with a charitable solicitation;
- a public safety contribution (*i.e.*, a contribution made on a representation that it will be used for the purposes of a public safety organization); and
- an authorization for a discount on the use of services or materials, equipment, or facilities, including those relating to advertising and broadcast airtime.

SOS registers and oversees charitable organizations in the State and maintains an [online database](#) of registered entities.

A charitable organization is a person that:

- is or holds itself out to be a benevolent, educational, eleemosynary, humane, patriotic, philanthropic, or religious organization; and
- either (1) solicits or receives charitable contributions from the public or (2) is an ambulance, firefighting, fraternal, rescue, or police or other law enforcement organization when it solicits charitable contributions from the public.

A charitable organization must register and receive a registration letter from SOS before it (1) solicits charitable contributions in the State; (2) has charitable contributions solicited on its behalf in the State; or (3) solicits charitable contributions outside the State if the organization is in the State.

A registered charitable organization must submit an annual report to SOS, as specified. SOS may exempt an organization from registration and reporting requirements if the charitable organization (1) is organized under the laws of another state that has a statute similar to Maryland's; (2) has been exempted from the submission of a registration statement by the other state; (3) has a principal place of business outside the State; and (4) gets its money principally from sources outside the State.

Auditing Requirements: In addition to other information and materials necessary to complete the registration statement, charitable organizations must submit an audit by a certified public accountant (CPA) if the gross income from contributions in the most recent fiscal year is at least \$750,000, or a review by an independent CPA if the gross income from contributions from the last fiscal year is at least \$300,000 but less than \$750,000. SOS

may accept other documentation in place of either the audit or the review under specified conditions but may also require an audit or review if the amount of gross income is less than \$750,000. SOS retains the authority to require an audit or review under the bill.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 354 (Senators Kagan and Waldstreicher) - Judicial Proceedings.

Information Source(s): Secretary of State; Department of Legislative Services

Fiscal Note History: First Reader - February 3, 2026
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