

SENATE BILL 354

C2

(6lr1901)

ENROLLED BILL

— *Judicial Proceedings/Economic Matters* —

Introduced by **Senators Kagan and Waldstreicher**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Business Regulation – Charitable Organizations – Audit and Review Thresholds**

3 FOR the purpose of increasing the minimum gross income amounts from charitable
4 contributions at which a charitable organization must include a certain audit or a
5 certain review with the charitable organization's registration statement; increasing
6 the amount of cash receipts from charitable contributions the Secretary of State may
7 accept an affidavit attesting to under certain circumstances; increasing the
8 maximum amount of gross income of a charitable organization at which the
9 Secretary of State may require an audit or review of the charitable organization; and
10 generally relating to audit and review thresholds for charitable organizations.

11 BY repealing and reenacting, without amendments,

12 Article – Business Regulation

13 Section 6–402(a)

14 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



(2024 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,
Article – Business Regulation
Section 6–402(b)(7), (c)(1)(v), and (d)
Annotated Code of Maryland
(2024 Replacement Volume and 2025 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Business Regulation

6–402.

(a) A registration statement shall be on the form that the Secretary of State provides.

(b) Except as provided in subsection (c) of this section, the registration statement shall contain or be accompanied by:

(7) (i) an audit by an independent certified public accountant if the gross income from charitable contributions in the most recently completed fiscal year is at least ~~[\$750,000]~~ **\$1,000,000**; or

(ii) a review by an independent certified public accountant if the gross income from charitable contributions in the most recently completed fiscal year is at least ~~[\$300,000]~~ ~~**\$500,000**~~ **\$400,000** but less than ~~[\$750,000]~~ **\$1,000,000**;

(c) The Secretary of State may accept other documentation in place of any item required under subsection (b) of this section, including, in place of the audit or review required by subsection (b)(7) of this section, supporting documents indicating, and an affidavit attesting, that:

(1) the charitable organization:

(v) has cash receipts from charitable contributions not exceeding ~~[\$300,000]~~ ~~**\$500,000**~~ **\$400,000** and amounting to 20% or less of the charitable organization's gross income during the immediately preceding fiscal year that are used for program services or management and general expenses of the charitable organization, as set forth under COMAR 01.02.04.04.A and C;

(d) The Secretary of State may require an audit or review if the amount of gross income is less than ~~[\$750,000]~~ **\$1,000,000**.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2026.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.