

# HOUSE BILL 847

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9lr0744

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By: **Delegate McDonough**

Introduced and read first time: February 11, 2009

Assigned to: Economic Matters and Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Charitable Organizations – Acceptance of Contributions from Terrorist**  
3 **Groups – Removal of Income Tax Exempt Status**

4 FOR the purpose of prohibiting certain charitable organizations from accepting certain  
5 contributions from certain entities; requiring the charitable organizations  
6 subject to this Act to return the contributions to the donors within a certain  
7 period of time after a certain notice is received; requiring certain organizations  
8 that received certain contributions after a certain date but before the effective  
9 date of this Act to comply with this Act; providing that a charitable organization  
10 that violates this Act shall lose its State income tax exempt status; and  
11 generally relating to charitable organizations that accept contributions from  
12 certain groups or countries.

13 BY adding to

14 Article – Business Regulation

15 Section 6–622

16 Annotated Code of Maryland

17 (2004 Replacement Volume and 2008 Supplement)

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

20 **Article – Business Regulation**

21 **6–622.**

22 **(A) A CHARITABLE ORGANIZATION MAY NOT ACCEPT CHARITABLE**  
23 **CONTRIBUTIONS FROM:**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(1) ENTITIES LISTED UNDER § 212(A)(3)(B)(VI)(II) OR § 219 OF**  
2 **THE IMMIGRATION AND NATIONALITY ACT AS A TERRORIST ORGANIZATION OR**  
3 **FOREIGN TERRORIST ORGANIZATION;**

4           **(2) COUNTRIES DEEMED BY THE U.S. DEPARTMENT OF STATE TO**  
5 **BE STATE SPONSORS OF TERRORISM; OR**

6           **(3) COUNTRIES DESIGNATED BY THE U.S. DEPARTMENT OF**  
7 **STATE AS HAVING DIPLOMATIC OR FORMAL RELATIONSHIPS WITH COUNTRIES**  
8 **IN ITEM (2) OF THIS SUBSECTION.**

9           **(B) A CHARITABLE ORGANIZATION IN VIOLATION OF SUBSECTION (A)**  
10 **OF THIS SECTION SHALL RETURN THE CONTRIBUTION TO THE DONOR WITHIN 6**  
11 **MONTHS AFTER RECEIVING A NOTICE OF VIOLATION FROM THE SECRETARY OF**  
12 **STATE.**

13           **(C) IF THE CHARITABLE ORGANIZATION IN VIOLATION OF SUBSECTION**  
14 **(A) OF THIS SECTION DOES NOT RETURN THE CONTRIBUTION TO THE DONOR AS**  
15 **REQUIRED IN SUBSECTION (B) OF THIS SECTION, THE CHARITABLE**  
16 **ORGANIZATION SHALL LOSE STATE TAX EXEMPT STATUS.**

17           SECTION 2. AND BE IT FURTHER ENACTED, That charitable organizations  
18 that were in violation of this Act on or after July 4, 2006, but before the effective date  
19 of this Act, shall have 6 months to comply with the provisions of this Act.

20           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 October 1, 2009.