

## Chapter 394

**(Senate Bill 354)**

AN ACT concerning

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

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

BY repealing and reenacting, without amendments,

Article – Business Regulation

Section 6–402(a)

Annotated Code of Maryland

(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~~.

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

**Approved by the Governor, May 12, 2026.**