

Title 01

EXECUTIVE DEPARTMENT

Subtitle 02 SECRETARY OF STATE

01.02.04 Charitable Organizations: Substantive Regulations

Authority: Business Regulation Article, §§6-204 and 6-407(f), Annotated Code of Maryland

Notice of Proposed Action

[25-242-P]

The Secretary of State proposes to adopt new Regulation .22 under **COMAR 01.02.04 Charitable Organizations: Substantive Regulations**.

Statement of Purpose

The purpose of this action is to adopt a new regulation to administer changes to the law regarding the ability of the Secretary of State to waive or suspend late fees. This action puts into regulation long-standing practices of the Secretary of State with regards to reviewing and making determinations about requests from charitable organizations to waive or suspend late fees; creating guidelines for how to request a late fee waiver or suspension for a charitable organization; and listing factors that the Secretary of State may consider when making a determination about a request.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Michael Schlein, Director, Charities and Legal Services Division, Office of the Secretary of State, 16 Francis Street, Annapolis, MD 21401, or call 410-260-3863, or email to michael.schlein@maryland.gov. Comments will be accepted through December 15, 2025. A public hearing has not been scheduled.

.22 Late Fee Waiver or Suspension.

A. A charitable organization may request the Secretary of State to waive or suspend a late fee.

B. A request to waive or suspend a late fee must:

(1) Be in writing;

(2) Explain the cause or causes of the charitable organization's late filing; and

(3) To the extent such late filing was reasonably preventable, explain what has been or will be done to prevent future late filings.

C. In addition to the written request submitted in accordance with §B of this regulation, the Secretary of State may consider, among other factors and without limitation, the following when determining whether to grant a request to waive or suspend some or all of a late fee:

(1) Whether the charitable organization has submitted all required outstanding annual reports to the Secretary of State;

(2) Whether the charitable organization's registration history includes previous late filings;

(3) Whether the charitable organization already paid some of the late fee;

(4) Whether the charitable organization previously asked for and was granted a late fee waiver or suspension; and

(5) Whether the charitable organization has the ability to pay the late fee.

D. If the Secretary of State makes a determination to waive or suspend some of the late fee, the charitable organization must pay any remaining late fee within 30 days of notification of the Secretary's decision.

E. Failure of a charitable organization to fully comply after being granted partial waiver or suspension of a late fee will result in revocation of the late fee waiver or suspension.

F. A partial or complete denial of a late fee waiver or suspension request is not an adverse action under COMAR 01.02.03.05.

SUSAN C. LEE
Secretary of State