

BY repealing and reenacting, with amendments,
Chapter 490 of the Acts of the General Assembly of 1993
Section 2

Preamble

WHEREAS, Chapter 490 of the Acts of the General Assembly of 1993 altered the qualifications of an educational or religious organization to which the Insurance Commissioner may issue a special permit to make annuity agreements with donors under certain circumstances, so that an educational or religious organization need not be engaged solely in bona fide educational or religious activities to qualify for a special permit; and

WHEREAS, Under the terms of Chapter 490, the alteration of the qualifications was to be temporary and is to expire on September 30, 1995; and

WHEREAS, The program has been beneficial to donors and to educational and religious organizations; and

WHEREAS, It is the intent of the General Assembly that the current qualifications remain in effect ~~permanently~~ for an additional 4 years; now, therefore,

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

Article 48A - Insurance Code

487.

(b) (1) Except as provided in paragraph (2) of this subsection, the Commissioner, upon application and in his discretion, may issue a special permit to make annuity agreements with donors to any educational or religious organization not conducted for profit and engaged in bona fide educational or religious activities, to any hospital in the State, or to any community foundation, which shall have been in active operation in this State for at least ten years prior thereto and which shall have been granted exemption from federal income taxation under the provisions of § 501 of the Internal Revenue Code, provided, however, that such special permit shall be in effect only so long as such educational or religious organization, hospital, or community foundation shall be exempt from federal taxation under the provisions of § 501 of the Internal Revenue Code. Such permit shall authorize such educational or religious organization, hospital, or community foundation to receive gifts of money or other property conditional upon, or in consideration of, its agreement to pay an annuity to the donor or his nominee, and to make and carry out such annuity agreement.

(2) The Commissioner may issue a special permit to a community foundation that has been in existence for at least 5 years but less than 10 years if the community foundation maintains admitted assets in an amount of up to 100 percent of the contributions made to the foundation, as determined by the Commissioner.