

SENATE BILL 689

C8

71r2434

By: **Senator Pugh**

Introduced and read first time: February 2, 2007

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Nonprofit Development Center Program**

3 FOR the purpose of establishing the Maryland Nonprofit Development Center
4 Program in the Department of Business and Economic Development; requiring
5 the Program to provide certain training and technical assistance services to
6 nonprofit entities; establishing the Maryland Nonprofit Development Center
7 Program Fund; establishing certain moneys and fees to be distributed to the
8 Fund; providing for the purpose of the Fund; requiring the Department to
9 designate a certain number of organizations to implement the Program and
10 providing certain criteria for the designations; defining certain terms;
11 increasing the amount of a certain annual fee paid by certain charitable
12 organizations under certain circumstances and requiring a portion of the annual
13 fee to be credited to the Fund; increasing the amount of a certain processing fee
14 paid by certain nonstock corporations under certain circumstances and
15 requiring a portion of the processing fee to be credited to the Fund; and
16 generally relating to the Maryland Nonprofit Development Center Program.

17 BY adding to

18 Article 83A – Department of Business and Economic Development
19 Section 6–601 through 6–605 to be under the new subtitle “Subtitle 6.
20 Maryland Nonprofit Development Center Program”
21 Annotated Code of Maryland
22 (2003 Replacement Volume and 2006 Supplement)

23 BY repealing and reenacting, with amendments,

24 Article – Business Regulation

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 6–407(b)
2 Annotated Code of Maryland
3 (2004 Replacement Volume and 2006 Supplement)

4 BY repealing and reenacting, without amendments,
5 Article – Corporations and Associations
6 Section 1–203(a), (b)(10), and (d)
7 Annotated Code of Maryland
8 (1999 Replacement Volume and 2006 Supplement)

9 BY repealing and reenacting, with amendments,
10 Article – Corporations and Associations
11 Section 1–203(b)(1)
12 Annotated Code of Maryland
13 (1999 Replacement Volume and 2006 Supplement)

14 BY adding to
15 Article – Corporations and Associations
16 Section 1–203(b)(11) and (e)
17 Annotated Code of Maryland
18 (1999 Replacement Volume and 2006 Supplement)

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

21 **Article 83A – Department of Business and Economic Development**

22 **SUBTITLE 6. MARYLAND NONPROFIT DEVELOPMENT CENTER PROGRAM.**

23 **6–601.**

24 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
25 INDICATED.

26 (B) “FUND” MEANS THE MARYLAND NONPROFIT DEVELOPMENT
27 CENTER PROGRAM FUND ESTABLISHED UNDER § 6–604 OF THIS SUBTITLE.

28 (C) “PROGRAM” MEANS THE MARYLAND NONPROFIT DEVELOPMENT
29 CENTER PROGRAM ESTABLISHED UNDER § 6–602 OF THIS SUBTITLE.

1 (D) **“NONPROFIT ENTITY” MEANS A CORPORATION INCORPORATED IN**
2 **THE STATE, OR OTHERWISE QUALIFIED TO DO BUSINESS IN THE STATE, THAT**
3 **HAS BEEN DETERMINED BY THE INTERNAL REVENUE SERVICE TO BE EXEMPT**
4 **FROM TAXATION UNDER § 501(C)(3), (4), OR (6) OF THE INTERNAL REVENUE**
5 **CODE.**

6 **6-602.**

7 (A) **THERE IS A MARYLAND NONPROFIT DEVELOPMENT CENTER**
8 **PROGRAM IN THE DEPARTMENT.**

9 (B) **THE PROGRAM SHALL FOSTER, SUPPORT, AND ASSIST THE**
10 **ECONOMIC GROWTH AND REVITALIZATION OF NONPROFIT ENTITIES IN THE**
11 **STATE BY PROVIDING TRAINING AND TECHNICAL ASSISTANCE SERVICES.**

12 **6-603.**

13 **THE PROGRAM SHALL PROVIDE ASSISTANCE TO NONPROFIT ENTITIES,**
14 **INCLUDING:**

15 (1) **OPERATION OF AN INFORMATION EXCHANGE GOVERNING**
16 **CURRENT AND NEW TECHNICAL INFORMATION AND DATA ABOUT ALL ASPECTS**
17 **OF NONPROFIT MANAGEMENT, INCLUDING:**

18 (I) **NONPROFIT START-UP;**

19 (II) **BUDGETING AND FINANCIAL MANAGEMENT;**

20 (III) **FACILITIES DEVELOPMENT AND MANAGEMENT;**

21 (IV) **BOARD DEVELOPMENT;**

22 (V) **ORGANIZATIONAL DEVELOPMENT AND STRATEGIC**
23 **PLANNING;**

24 (VI) **MARKETING;**

25 (VII) **FEDERAL AND STATE CONTRACTING AND GRANT**
26 **MAKING;**

1 (VIII) INDIVIDUAL, CORPORATE, AND FOUNDATION
2 FUND-RAISING;

3 (IX) VOLUNTEER MANAGEMENT;

4 (X) PERSONNEL MANAGEMENT;

5 (XI) FEDERAL AND STATE TAX LAW AND REGULATIONS;

6 (XII) FEDERAL AND STATE LAW AND REGULATIONS
7 GOVERNING CHARITABLE SOLICITATIONS;

8 (XIII) FEDERAL AND STATE REGULATIONS APPLICABLE TO
9 LICENSING OR ACCREDITATION;

10 (XIV) FEDERAL AND STATE FINANCING PROGRAMS; AND

11 (XV) INFORMATION TECHNOLOGY; AND

12 (2) INDIVIDUAL CONSULTATION AND TECHNICAL ASSISTANCE TO
13 ANY NONPROFIT ENTITY THAT REQUESTS THE SERVICE, INCLUDING
14 ASSISTANCE ON ANY OF THE SUBJECTS IDENTIFIED IN ITEM (1) OF THIS
15 SECTION.

16 **6-604.**

17 (A) (1) THERE IS A MARYLAND NONPROFIT DEVELOPMENT CENTER
18 PROGRAM FUND IN THE DEPARTMENT.

19 (2) THE FUND IS A SPECIAL NONLAPSING FUND THAT IS NOT
20 SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND
21 PROCUREMENT ARTICLE.

22 (3) THE FUND CONSISTS OF MONEY APPROPRIATED IN THE
23 STATE BUDGET TO THE FUND, AND ALL OTHER MONEY ACCEPTED FOR THE
24 BENEFIT OF THE FUND, INCLUDING:

1 (I) AN ADDITIONAL \$100 FEE TO BE PAID FOR THE
2 PROCESSING OF ARTICLES OF INCORPORATION OF A NONSTOCK CORPORATION
3 IN ACCORDANCE WITH § 1-203 OF THE CORPORATIONS AND ASSOCIATIONS
4 ARTICLE; AND

5 (II) A PORTION OF THE ANNUAL FEE PAID BY A CHARITABLE
6 ORGANIZATION IN ACCORDANCE WITH § 6-407 OF THE BUSINESS REGULATION
7 ARTICLE, AS FOLLOWS:

8 1. \$20, IF CHARITABLE CONTRIBUTIONS FROM THE
9 PUBLIC ARE AT LEAST \$25,000 BUT LESS THAN \$50,001;

10 2. \$30, IF CHARITABLE CONTRIBUTIONS FROM THE
11 PUBLIC ARE AT LEAST \$50,001 BUT LESS THAN \$75,001;

12 3. \$40, IF CHARITABLE CONTRIBUTIONS FROM THE
13 PUBLIC ARE AT LEAST \$75,001 BUT LESS THAN \$100,001; AND

14 4. \$80, IF CHARITABLE CONTRIBUTIONS FROM THE
15 PUBLIC ARE AT LEAST \$100,001.

16 (B) THE PURPOSE OF THE FUND IS TO PROVIDE GRANT MONEY TO
17 SUPPORT THE OPERATIONS OF THE PROGRAM CONSISTENT WITH THE
18 PROVISIONS OF THIS SUBTITLE.

19 **6-605.**

20 (A) THE DEPARTMENT SHALL DESIGNATE AT LEAST ONE PRIVATE
21 NONPROFIT ENTITY TO RECEIVE GRANTS FROM THE MARYLAND NONPROFIT
22 DEVELOPMENT CENTER PROGRAM FUND TO IMPLEMENT THE PROGRAM.

23 (B) IN SELECTING A DESIGNEE, THE DEPARTMENT SHALL CONSIDER
24 AND GIVE PRIORITY TO ORGANIZATIONS THAT:

25 (1) HAVE EXPERIENCE IN PROVIDING THE SCOPE OF ASSISTANCE
26 AND SERVICES REQUIRED UNDER § 6-603 OF THIS SUBTITLE TO NONPROFIT
27 ENTITIES IN THE STATE;

1 **(2) DEMONSTRATE THE CAPACITY TO PROVIDE THE ASSISTANCE**
 2 **AND SERVICES REQUIRED UNDER § 6-603 OF THIS SUBTITLE ON A STATEWIDE**
 3 **BASIS; AND**

4 **(3) DEMONSTRATE CURRENT EXPENDITURES THAT:**

5 **(i) ARE EQUAL TO AT LEAST THREE TIMES THE AMOUNT OF**
 6 **FUNDING RECEIVED UNDER THIS SECTION; AND**

7 **(ii) HAVE BEEN RECEIVED FROM OTHER SOURCES FOR THE**
 8 **PROVISION OF ASSISTANCE AND SERVICES OF THE TYPE REQUIRED UNDER §**
 9 **6-603 OF THIS SUBTITLE TO NONPROFIT ENTITIES IN THE STATE.**

10 **Article - Business Regulation**

11 6-407.

12 (b) (1) Each charitable organization that submits a separate registration
 13 statement and collects at least \$25,000 in charitable contributions from the public in a
 14 year shall pay an annual fee based on the charitable contributions collected.

15 (2) The annual fee shall be:

16 (i) [~~\$50~~] **\$70**, if charitable contributions from the public are at
 17 least \$25,000 but less than \$50,001;

18 (ii) [~~\$75~~] **\$105**, if charitable contributions from the public are at
 19 least \$50,001 but less than \$75,001;

20 (iii) [~~\$100~~] **\$140**, if charitable contributions from the public are
 21 at least \$75,001 but less than \$100,001; and

22 (iv) [~~\$200~~] **\$280**, if charitable contributions from the public are
 23 at least \$100,001.

24 **(3) FOR EACH ANNUAL FEE THAT IS PAID BY A CHARITABLE**
 25 **ORGANIZATION UNDER PARAGRAPH (2) OF THIS SUBSECTION, A PORTION OF**
 26 **THE FEES COLLECTED SHALL BE CREDITED TO THE MARYLAND NONPROFIT**
 27 **DEVELOPMENT CENTER PROGRAM FUND ESTABLISHED UNDER ARTICLE 83A,**
 28 **§ 6-604 OF THE CODE, AS FOLLOWS:**

- 1 (I) \$20, IF THE ANNUAL FEE PAID IS \$70;
- 2 (II) \$30, IF THE ANNUAL FEE PAID IS \$105;
- 3 (III) \$40, IF THE ANNUAL FEE PAID IS \$140; AND
- 4 (IV) \$80, IF THE ANNUAL FEE PAID IS \$280.

5 **Article – Corporations and Associations**

6 1–203.

7 (a) In addition to any organization and capitalization fee required under §
 8 1–204 of this subtitle, subject to subsection (c) of this section, the Department shall
 9 collect the fees specified in subsection (b) of this section.

10 (b) (1) [For] **EXCEPT AS PROVIDED IN PARAGRAPH (11) OF THIS**
 11 **SUBSECTION, FOR** each of the following documents, the nonrefundable processing fee
 12 is \$100:

- 13 Document
- 14 Articles of incorporation
- 15 Articles of amendment
- 16 Articles of extension
- 17 Articles of restatement of charter
- 18 Articles of amendment and restatement
- 19 Articles supplementary
- 20 Articles of share exchange
- 21 Articles of consolidation, merger, or transfer
- 22 Articles of dissolution
- 23 Articles of revival for stock corporation
- 24 Articles of revival for nonstock corporation

25 (10) A nonrefundable processing fee for return of an original document
 26 is \$5.

1 **(11) A NONREFUNDABLE PROCESSING FEE FOR ARTICLES OF**
2 **INCORPORATION OF A NONSTOCK CORPORATION IS \$200.**

3 (d) The fee collected under subsection (b)(10) of this section shall be credited
4 to the fund established under § 1-203.3 of this subtitle.

5 **(E) \$100 OF THE FEE COLLECTED UNDER SUBSECTION (B)(11) OF THIS**
6 **SECTION SHALL BE CREDITED TO THE MARYLAND NONPROFIT DEVELOPMENT**
7 **CENTER PROGRAM FUND ESTABLISHED UNDER ARTICLE 83A, § 6-604 OF THE**
8 **CODE.**

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2007.