

Wes Moore | Governor

Aruna Miller | Lt. Governor

Harry Coker, Jr. | Acting Secretary of Commerce

DATE: April 1, 2025 BILL NO: Senate Bill 365

**BILL TITLE:** Department of Commerce – Nonprofit Organizations Navigator - Established

**COMMITTEE:** House Health and Government Operations

**POSITION:** Support with Amendment

The Maryland Department of Commerce (Commerce) supports Senate Bill 365 - Department of Commerce – Nonprofit Organizations Navigator – Established **if** amended.

## **Bill Summary:**

Senate Bill 365 establishes a nonprofit organizations navigator within the Maryland Department of Commerce (Commerce) to provide technical assistance to nonprofit organizations.

## Background:

As the State's primary economic development agency, Commerce has also been the agency with the most direct support for nonprofit organizations in recent years. Commerce is the home to the Nonprofit Development Center Program, a program to foster, support, and assist the economic growth and revitalization of qualifying nonprofit entities by providing training and technical assistance services and bridge loans. Commerce contracts the administration of the Nonprofit Development Center out to an entity with the expertise to provide the technical assistance and support necessary to assist those organizations. The bridge loans are provided by Commerce through the Maryland Nonprofit, Interest-Free, Micro Bridge Loan Account (NIMBL) program which provides short-term financing support to qualifying nonprofit entities between the award date of a government contract and the actual receipt date of those awarded funds.

## Rationale:

According to recent data reviewed by Commerce, there are over 40,000 registered nonprofit organizations in Maryland, and those organizations represented nearly 10% of the State's employment in the second quarter of 2024. In December, Governor Wes Moore announced the establishment of the Governor's Office of Business Advancement (GOBA) within Commerce. GOBA is intended to guide businesses – including non-profits – through the state's economic development ecosystem. The office will provide a wide range of services from assistance with navigating state permitting requirements to troubleshooting issues with state agencies and identifying financial incentives to close deals. The nonprofit Navigator will provide similar services to nonprofits by providing technical assistance in working with State agencies and applying for grant funding.

Commerce supports SB 365 with an amendment that removes the requirement that the navigator cannot provide services to nonprofit organizations that pay an annual compensation exceeding \$250,000 to any single salaried employee. Commerce does not distinguish between for profit companies based on their employees' salaries when providing non-financial assistance, and therefore the Department feels it should also not make such a distinction in relation to nonprofits and their employees' salaries.

Commerce respectfully requests a favorable report with amendment on Senate Bill 365.

## $\underline{\text{AMENDMENT TO SENATE BILL 365}}$

(Third Reading File Bill)

On page 2, strike lines 29 through 31 in their entirety.