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By: **Senator McFadden (By Request - Baltimore City Administration)**

Introduced and read first time: January 31, 2003

Assigned to: Education, Health, and Environmental Affairs

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A BILL ENTITLED

1 AN ACT concerning

2 **Alcohol and Drug Abuse Administration - Designation of Nonprofit and**  
3 **Quasi-Governmental Entities by Local Health Departments**

4 FOR the purpose of authorizing a local health department to designate certain  
5 nonprofit and quasi-governmental entities to receive certain funds from the  
6 Alcohol and Drug Abuse Administration; authorizing a local health department  
7 to revoke its designation of a nonprofit or quasi-governmental entity except in  
8 certain circumstances; requiring the Administration to disburse certain funds  
9 directly to certain nonprofit or quasi-governmental entities; providing that the  
10 Administration shall have a direct relationship with certain nonprofit or  
11 quasi-governmental entities; providing that the Administration shall have  
12 certain rights and remedies with certain nonprofit or quasi-governmental  
13 entities; defining certain terms; and generally relating to the designation of  
14 nonprofit or quasi-governmental entities by local health departments.

15 BY adding to  
16 Article - Health - General  
17 Section 8-901 and 8-902, inclusive, to be under the new subtitle "Subtitle 9.  
18 Nonprofit or Quasi-Governmental Organizations"  
19 Annotated Code of Maryland  
20 (2000 Replacement Volume and 2002 Supplement)

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

23 **Article - Health - General**

24 **SUBTITLE 9. NONPROFIT OR QUASI-GOVERNMENTAL ORGANIZATIONS.**

25 8-901.

26 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
27 INDICATED.

1 (B) "DESIGNEE" MEANS A NONPROFIT OR QUASI-GOVERNMENTAL ENTITY  
2 DESIGNATED BY A LOCAL HEALTH DEPARTMENT TO RECEIVE FUNDS FROM THE  
3 ADMINISTRATION TO PLAN, MANAGE, MONITOR, AND DISBURSE FUNDS TO  
4 SUBSTANCE ABUSE PREVENTION AND TREATMENT PROGRAMS.

5 (C) "NONPROFIT ENTITY" MEANS:

6 (1) AN ORGANIZATION THAT QUALIFIES UNDER § 501(C) OF THE  
7 INTERNAL REVENUE CODE OF 1986, AS AMENDED; OR

8 (2) ANY SIMILAR ENTITY THAT DOES NOT OPERATE FOR PROFIT.

9 (D) (1) "QUASI-GOVERNMENTAL ENTITY" MEANS AN ORGANIZATION  
10 CREATED BY A UNIT OF GOVERNMENT TO PLAN FOR THE USE OF, MONITOR,  
11 DISBURSE, AND MANAGE PUBLIC FUNDS.

12 (2) "QUASI-GOVERNMENTAL ENTITY" INCLUDES BALTIMORE  
13 SUBSTANCE ABUSE SYSTEMS, INC.

14 8-902.

15 (A) A LOCAL HEALTH DEPARTMENT MAY DESIGNATE A NONPROFIT OR  
16 QUASI-GOVERNMENTAL ENTITY TO RECEIVE FUNDS FROM THE ADMINISTRATION TO  
17 PLAN, MANAGE, MONITOR, AND DISBURSE FUNDS TO SUBSTANCE ABUSE  
18 PREVENTION AND TREATMENT PROGRAMS.

19 (B) A LOCAL HEALTH DEPARTMENT MAY REVOKE ITS DESIGNATION OF A  
20 NONPROFIT OR QUASI-GOVERNMENTAL ENTITY AT ANY TIME EXCEPT TO THE  
21 EXTENT THAT THE ADMINISTRATION, THE DESIGNEE, OR BOTH HAVE ACTED IN  
22 RELIANCE ON THE DESIGNATION.

23 (C) IF A LOCAL HEALTH DEPARTMENT DESIGNATES A NONPROFIT OR  
24 QUASI-GOVERNMENTAL ENTITY TO RECEIVE FUNDS, THE ADMINISTRATION SHALL  
25 DISBURSE FUNDS BUDGETED FOR THE LOCAL HEALTH DEPARTMENT DIRECTLY TO  
26 THE LOCAL HEALTH DEPARTMENT'S DESIGNEE.

27 (D) THE ADMINISTRATION SHALL HAVE A DIRECT RELATIONSHIP WITH THE  
28 DESIGNEE.

29 (E) THE ADMINISTRATION SHALL HAVE THE SAME RIGHTS AND REMEDIES  
30 WITH THE DESIGNEE AS IT WOULD OTHERWISE HAVE WITH THE LOCAL HEALTH  
31 DEPARTMENT.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 October 1, 2003.