

# SENATE BILL 605

C8  
HB 1014/07 – ECM

8lr1577  
CF 8lr1600

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By: **Senators Pugh, Kelley, and Klausmeier**  
Introduced and read first time: February 1, 2008  
Assigned to: Finance and Judicial Proceedings

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Not-For-Profit Development Center Program**

3 FOR the purpose of establishing the Maryland Not-For-Profit 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 not-for-profit entities; establishing the Maryland Not-For-Profit Development  
7 Center Program Fund; establishing certain moneys and fees to be distributed to  
8 the 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 processing fee paid by certain nonstock  
12 corporations under certain circumstances and requiring a portion of the  
13 processing fee to be credited to the Fund; and generally relating to the  
14 Maryland Not-For-Profit Development Center Program.

15 BY adding to

16 Article – Economic Development

17 Section 5-1201 through 5-1205 to be under the new subtitle “Subtitle 12.  
18 Maryland Not-For-Profit Development Center Program”

19 Annotated Code of Maryland

20 (As enacted by Chapter \_\_\_\_\_(H.B. \_\_\_\_\_)(8lr0698) of the Acts of the General  
21 Assembly of 2008)

22 BY repealing and reenacting, without amendments,

23 Article – Corporations and Associations

24 Section 1-203(a), (b)(10), and (d)

25 Annotated Code of Maryland

26 (2007 Replacement Volume)

27 BY repealing and reenacting, with amendments,

28 Article – Corporations and Associations

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 1-203(b)(1)  
2 Annotated Code of Maryland  
3 (2007 Replacement Volume)

4 BY adding to  
5 Article – Corporations and Associations  
6 Section 1-203(b)(11) and (e)  
7 Annotated Code of Maryland  
8 (2007 Replacement Volume)

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

11 **Article – Economic Development**

12 **SUBTITLE 12. MARYLAND NOT-FOR-PROFIT DEVELOPMENT CENTER**  
13 **PROGRAM.**

14 **5-1201.**

15 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
16 INDICATED.

17 (B) “FUND” MEANS THE MARYLAND NOT-FOR-PROFIT DEVELOPMENT  
18 CENTER PROGRAM FUND ESTABLISHED UNDER § 5-1204 OF THIS SUBTITLE.

19 (C) “PROGRAM” MEANS THE MARYLAND NOT-FOR-PROFIT  
20 DEVELOPMENT CENTER PROGRAM ESTABLISHED UNDER § 5-1202 OF THIS  
21 SUBTITLE.

22 (D) “NOT-FOR-PROFIT ENTITY” MEANS A CORPORATION  
23 INCORPORATED IN THE STATE, OR OTHERWISE QUALIFIED TO DO BUSINESS IN  
24 THE STATE, THAT HAS BEEN DETERMINED BY THE INTERNAL REVENUE  
25 SERVICE TO BE EXEMPT FROM TAXATION UNDER § 501(C)(3), (4), OR (6) OF THE  
26 INTERNAL REVENUE CODE.

27 **5-1202.**

28 (A) THERE IS A MARYLAND NOT-FOR-PROFIT DEVELOPMENT CENTER  
29 PROGRAM IN THE DEPARTMENT.

30 (B) THE PROGRAM SHALL FOSTER, SUPPORT, AND ASSIST THE  
31 ECONOMIC GROWTH AND REVITALIZATION OF NOT-FOR-PROFIT ENTITIES IN  
32 THE STATE BY PROVIDING TRAINING AND TECHNICAL ASSISTANCE SERVICES.

1 **5-1203.**

2 **THE PROGRAM SHALL PROVIDE ASSISTANCE TO NOT-FOR-PROFIT**  
3 **ENTITIES, INCLUDING:**

4 **(1) OPERATION OF AN INFORMATION EXCHANGE GOVERNING**  
5 **CURRENT AND NEW TECHNICAL INFORMATION AND DATA ABOUT ALL ASPECTS**  
6 **OF NOT-FOR-PROFIT MANAGEMENT, INCLUDING:**

7 **(I) NOT-FOR-PROFIT START-UP;**

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

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

10 **(IV) BOARD DEVELOPMENT;**

11 **(V) ORGANIZATIONAL DEVELOPMENT AND STRATEGIC**  
12 **PLANNING;**

13 **(VI) MARKETING;**

14 **(VII) FEDERAL AND STATE CONTRACTING AND GRANT**  
15 **MAKING;**

16 **(VIII) INDIVIDUAL, CORPORATE, AND FOUNDATION**  
17 **FUND-RAISING;**

18 **(IX) VOLUNTEER MANAGEMENT;**

19 **(X) PERSONNEL MANAGEMENT;**

20 **(XI) FEDERAL AND STATE TAX LAW AND REGULATIONS;**

21 **(XII) FEDERAL AND STATE LAW AND REGULATIONS**  
22 **GOVERNING CHARITABLE SOLICITATIONS;**

23 **(XIII) FEDERAL AND STATE REGULATIONS APPLICABLE TO**  
24 **LICENSING OR ACCREDITATION;**

25 **(XIV) FEDERAL AND STATE FINANCING PROGRAMS; AND**

26 **(XV) INFORMATION TECHNOLOGY; AND**

1           (2) INDIVIDUAL CONSULTATION AND TECHNICAL ASSISTANCE TO  
2 ANY NOT-FOR-PROFIT ENTITY THAT REQUESTS THE SERVICE, INCLUDING  
3 ASSISTANCE ON ANY OF THE SUBJECTS IDENTIFIED IN ITEM (1) OF THIS  
4 SECTION.

5 **5-1204.**

6           (A) (1) THERE IS A MARYLAND NOT-FOR-PROFIT DEVELOPMENT  
7 CENTER PROGRAM FUND IN THE DEPARTMENT.

8           (2) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT  
9 SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND  
10 PROCUREMENT ARTICLE.

11           (3) THE FUND CONSISTS OF:

12                   (I) MONEY APPROPRIATED IN THE STATE BUDGET TO THE  
13 FUND; AND

14                   (II) ALL OTHER MONEY ACCEPTED FOR THE BENEFIT OF  
15 THE FUND, INCLUDING AN ADDITIONAL \$75 FEE TO BE PAID FOR THE  
16 PROCESSING OF ARTICLES OF INCORPORATION OF A NONSTOCK CORPORATION  
17 IN ACCORDANCE WITH § 1-203 OF THE CORPORATIONS AND ASSOCIATIONS  
18 ARTICLE.

19           (B) THE PURPOSE OF THE FUND IS TO PROVIDE GRANT MONEY TO  
20 SUPPORT THE OPERATIONS OF THE PROGRAM CONSISTENT WITH THIS  
21 SUBTITLE.

22 **5-1205.**

23           (A) THE DEPARTMENT SHALL DESIGNATE AT LEAST ONE PRIVATE  
24 NOT-FOR-PROFIT ENTITY TO RECEIVE GRANTS FROM THE MARYLAND  
25 NOT-FOR-PROFIT DEVELOPMENT CENTER PROGRAM FUND TO IMPLEMENT  
26 THE PROGRAM.

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

29                   (1) HAVE EXPERIENCE IN PROVIDING THE SCOPE OF ASSISTANCE  
30 AND SERVICES REQUIRED UNDER § 5-1203 OF THIS SUBTITLE TO  
31 NOT-FOR-PROFIT ENTITIES IN THE STATE;

1           **(2) DEMONSTRATE THE CAPACITY TO PROVIDE THE ASSISTANCE**  
 2 **AND SERVICES REQUIRED UNDER § 5-1203 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 **5-1203 OF THIS SUBTITLE TO NOT-FOR-PROFIT ENTITIES IN THE STATE.**

10                                   **Article - Corporations and Associations**

11    1-203.

12           (a) In addition to any organization and capitalization fee required under §  
 13 1-204 of this subtitle, subject to subsection (c) of this section, the Department shall  
 14 collect the fees specified in subsection (b) of this section.

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

- 18                   Document
- 19                   Articles of incorporation
- 20                   Articles of amendment
- 21                   Articles of extension
- 22                   Articles of restatement of charter
- 23                   Articles of amendment and restatement
- 24                   Articles supplementary
- 25                   Articles of share exchange
- 26                   Articles of consolidation, merger, or transfer
- 27                   Articles of dissolution
- 28                   Articles of revival for stock corporation
- 29                   Articles of revival for nonstock corporation

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

32                   **(11) A NONREFUNDABLE PROCESSING FEE FOR ARTICLES OF**  
 33 **INCORPORATION OF A NONSTOCK CORPORATION IS \$175.**

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

1           **(E) OF THE \$175 COLLECTED UNDER SUBSECTION (B)(11) OF THIS**  
2 **SECTION, \$75 SHALL BE CREDITED TO THE MARYLAND NOT-FOR-PROFIT**  
3 **DEVELOPMENT CENTER PROGRAM FUND ESTABLISHED UNDER § 5-1204 OF**  
4 **THE ECONOMIC DEVELOPMENT ARTICLE.**

5           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
6 October 1, 2008.