

# SENATE BILL 605

C8  
HB 1014/07 – ECM

8lr1577  
CF HB 1214

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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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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: April 2, 2008

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## CHAPTER \_\_\_\_\_

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 certain not-for-profit entities; establishing the Maryland Not-For-Profit  
7 Development Center Program Fund; establishing certain moneys and fees to be  
8 distributed to the Fund; providing for the purpose of the Fund; requiring the  
9 Department to designate a certain number of organizations to implement the  
10 Program and providing certain criteria for the designations; defining certain  
11 terms; increasing the amount of a certain processing fee paid by certain  
12 nonstock corporations under certain circumstances and requiring a portion of  
13 the 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)~~ Chapter \_\_\_\_\_ (H.B. 1050) of  
21 the Acts of the General Assembly of 2008)

22 BY repealing and reenacting, without amendments,

23 Article – Corporations and Associations

24 Section 1–203(a), (b)(10), and (d)

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Annotated Code of Maryland  
2 (2007 Replacement Volume)

3 BY repealing and reenacting, with amendments,  
4 Article – Corporations and Associations  
5 Section 1–203(b)(1)  
6 Annotated Code of Maryland  
7 (2007 Replacement Volume)

8 BY adding to  
9 Article – Corporations and Associations  
10 Section 1–203(b)(11) and (e)  
11 Annotated Code of Maryland  
12 (2007 Replacement Volume)

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

15 **Article – Economic Development**

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

18 **5–1201.**

19 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
20 INDICATED.

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

23 (C) “PROGRAM” MEANS THE MARYLAND NOT-FOR-PROFIT  
24 DEVELOPMENT CENTER PROGRAM ESTABLISHED UNDER § 5–1202 OF THIS  
25 SUBTITLE.

26 (D) “NOT-FOR-PROFIT ENTITY” MEANS A CORPORATION  
27 INCORPORATED IN THE STATE, OR OTHERWISE QUALIFIED TO DO BUSINESS IN  
28 ~~THE STATE,~~ STATE:

29 (1) THAT HAS BEEN DETERMINED BY THE INTERNAL REVENUE  
30 SERVICE TO BE EXEMPT FROM TAXATION UNDER § 501(C)(3), (4), OR (6) OF THE  
31 INTERNAL REVENUE CODE;

32 (2) THAT HAS ANNUAL REVENUES NOT GREATER THAN \$750,000;



- 1 (X) PERSONNEL MANAGEMENT;
- 2 (XI) FEDERAL AND STATE TAX LAW AND REGULATIONS;
- 3 (XII) FEDERAL AND STATE LAW AND REGULATIONS  
4 GOVERNING CHARITABLE SOLICITATIONS;
- 5 (XIII) FEDERAL AND STATE REGULATIONS APPLICABLE TO  
6 LICENSING OR ACCREDITATION;
- 7 (XIV) FEDERAL AND STATE FINANCING PROGRAMS; AND
- 8 (XV) INFORMATION TECHNOLOGY; AND

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

13 **5-1204.**

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

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

19 (3) THE FUND CONSISTS OF:

20 (I) MONEY APPROPRIATED IN THE STATE BUDGET TO THE  
21 FUND; AND

22 (II) ALL OTHER MONEY ACCEPTED FOR THE BENEFIT OF  
23 THE FUND, INCLUDING AN ADDITIONAL ~~\$75~~ \$50 FEE TO BE PAID FOR THE  
24 PROCESSING OF ARTICLES OF INCORPORATION OF A NONSTOCK CORPORATION  
25 IN ACCORDANCE WITH § 1-203 OF THE CORPORATIONS AND ASSOCIATIONS  
26 ARTICLE.

27 (B) THE PURPOSE OF THE FUND IS TO PROVIDE GRANT MONEY TO  
28 SUPPORT THE OPERATIONS OF THE PROGRAM CONSISTENT WITH THIS  
29 SUBTITLE.

30 **5-1205.**

1           **(A) THE DEPARTMENT SHALL DESIGNATE AT LEAST ONE PRIVATE**  
 2 **NOT-FOR-PROFIT ENTITY TO RECEIVE GRANTS FROM THE MARYLAND**  
 3 **NOT-FOR-PROFIT DEVELOPMENT CENTER PROGRAM FUND TO IMPLEMENT**  
 4 **THE PROGRAM.**

5           **(B) IN SELECTING A DESIGNEE, THE DEPARTMENT SHALL CONSIDER**  
 6 **AND GIVE PRIORITY TO ORGANIZATIONS THAT:**

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

10                   **(2) DEMONSTRATE THE CAPACITY TO PROVIDE THE ASSISTANCE**  
 11 **AND SERVICES REQUIRED UNDER § 5-1203 OF THIS SUBTITLE ON A STATEWIDE**  
 12 **BASIS; AND**

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

14                           **(I) ARE EQUAL TO AT LEAST THREE TIMES THE AMOUNT OF**  
 15 **FUNDING RECEIVED UNDER THIS SECTION; AND**

16                           **(II) HAVE BEEN RECEIVED FROM OTHER SOURCES FOR THE**  
 17 **PROVISION OF ASSISTANCE AND SERVICES OF THE TYPE REQUIRED UNDER §**  
 18 **5-1203 OF THIS SUBTITLE TO NOT-FOR-PROFIT ENTITIES IN THE STATE.**

19                                   **Article - Corporations and Associations**

20           1-203.

21           (a) In addition to any organization and capitalization fee required under §  
 22 1-204 of this subtitle, subject to subsection (c) of this section, the Department shall  
 23 collect the fees specified in subsection (b) of this section.

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

- 27                   Document
- 28                   Articles of incorporation
- 29                   Articles of amendment
- 30                   Articles of extension
- 31                   Articles of restatement of charter
- 32                   Articles of amendment and restatement
- 33                   Articles supplementary
- 34                   Articles of share exchange

1 Articles of consolidation, merger, or transfer  
 2 Articles of dissolution  
 3 Articles of revival for stock corporation  
 4 Articles of revival for nonstock corporation

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

7 (11) **A NONREFUNDABLE PROCESSING FEE FOR ARTICLES OF**  
 8 **INCORPORATION OF A NONSTOCK CORPORATION THAT IS ORGANIZED TO**  
 9 **OPERATE AS A NOT-FOR-PROFIT ENTITY UNDER § 501(C)(3), (4), OR (6) OF THE**  
 10 **INTERNAL REVENUE CODE IS ~~\$175~~ \$150.**

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

13 (E) **OF THE ~~\$175~~ \$150 COLLECTED UNDER SUBSECTION (B)(11) OF**  
 14 **THIS SECTION, ~~\$75~~ \$50 SHALL BE CREDITED TO THE MARYLAND**  
 15 **NOT-FOR-PROFIT DEVELOPMENT CENTER PROGRAM FUND ESTABLISHED**  
 16 **UNDER § 5-1204 OF THE ECONOMIC DEVELOPMENT ARTICLE.**

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

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.