

CHAPTER 313

(House Bill 1214)

AN ACT concerning

Maryland Not-For-Profit Development Center Program

FOR the purpose of establishing the Maryland Not-For-Profit Development Center Program in the Department of Business and Economic Development; requiring the Program to provide certain training and technical assistance services to certain not-for-profit entities; establishing the Maryland Not-For-Profit Development Center Program Fund; establishing certain moneys and fees to be distributed to the Fund; providing for the purpose of the Fund; requiring the Department to designate a certain number of organizations to implement the Program and providing certain criteria for the designations; defining certain terms; increasing the amount of a certain processing fee paid by certain nonstock corporations under certain circumstances and requiring a portion of the processing fee to be credited to the Fund; and generally relating to the Maryland Not-For-Profit Development Center Program.

BY adding to

Article – Economic Development

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

Annotated Code of Maryland

(As enacted by ~~Chapter _____ (H.B. _____) (S.B. 0698)~~ Chapter 306 (H.B. 1050) of the Acts of the General Assembly of 2008)

BY repealing and reenacting, without amendments,

Article – Corporations and Associations

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

Annotated Code of Maryland

(2007 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Corporations and Associations

Section 1-203(b)(1)

Annotated Code of Maryland

(2007 Replacement Volume)

BY adding to

Article – Corporations and Associations

Section 1-203(b)(11) and (e)

Annotated Code of Maryland

(2007 Replacement Volume)

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

Article – Economic Development

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

5-1201.

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

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

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

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

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

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

(3) THAT HAS BEEN IN EXISTENCE FOR NOT MORE THAN 10 YEARS; AND

(4) WHOSE PRINCIPAL PURPOSE IS PROVIDING HEALTH, EDUCATION, ENVIRONMENTAL, AGRICULTURAL, OR SOCIAL SERVICES THROUGH COMMUNITY-BASED PROGRAMS.

5-1202.

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

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

5-1203.

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

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

- (I) NOT-FOR-PROFIT START-UP;**
- (II) BUDGETING AND FINANCIAL MANAGEMENT;**
- (III) FACILITIES DEVELOPMENT AND MANAGEMENT;**
- (IV) BOARD DEVELOPMENT;**
- (V) ORGANIZATIONAL DEVELOPMENT AND STRATEGIC PLANNING;**
- (VI) MARKETING;**
- (VII) FEDERAL AND STATE CONTRACTING AND GRANT MAKING;**
- (VIII) INDIVIDUAL, CORPORATE, AND FOUNDATION FUND-RAISING;**
- (IX) VOLUNTEER MANAGEMENT;**
- (X) PERSONNEL MANAGEMENT;**
- (XI) FEDERAL AND STATE TAX LAW AND REGULATIONS;**
- (XII) FEDERAL AND STATE LAW AND REGULATIONS GOVERNING CHARITABLE SOLICITATIONS;**
- (XIII) FEDERAL AND STATE REGULATIONS APPLICABLE TO LICENSING OR ACCREDITATION;**

(XIV) FEDERAL AND STATE FINANCING PROGRAMS; AND

(XV) INFORMATION TECHNOLOGY; AND

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

5-1204.

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

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

(3) THE FUND CONSISTS OF:

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

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

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

5-1205.

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

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

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

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

(3) DEMONSTRATE CURRENT EXPENDITURES THAT:

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

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

Article – Corporations and Associations

1-203.

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

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

- Document
- Articles of incorporation
- Articles of amendment
- Articles of extension
- Articles of restatement of charter
- Articles of amendment and restatement
- Articles supplementary
- Articles of share exchange
- Articles of consolidation, merger, or transfer
- Articles of dissolution
- Articles of revival for stock corporation
- Articles of revival for nonstock corporation

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

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

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

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

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

Approved by the Governor, April 24, 2008.