

HOUSE BILL 1193

C8

9lr1946
CF SB 860

By: **Delegates Hecht, Harrison, and Krysiak**
Introduced and read first time: February 13, 2009
Assigned to: Economic Matters

Committee Report: Favorable
House action: Adopted
Read second time: March 11, 2009

CHAPTER _____

1 AN ACT concerning

2 **Maryland Not-For-Profit Development Center Program – Qualifying**
3 **Not-For-Profit Entity Assistance**

4 FOR the purpose of adding and amending certain defined terms under the Maryland
5 Not-For-Profit Development Center Program; requiring the Program to provide
6 certain support and assistance to qualifying not-for-profit entities; altering the
7 requirements for a certain designee of the Program; and generally relating to
8 the Maryland Not-For-Profit Development Center Program.

9 BY repealing and reenacting, with amendments,
10 Article – Economic Development
11 Section 5-1201, 5-1202, 5-1203, and 5-1205
12 Annotated Code of Maryland
13 (2008 Volume)

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

16 **Article – Economic Development**

17 5-1201.

18 (a) In this subtitle the following words have the meanings indicated.

19 (b) “Fund” means the Maryland Not-For-Profit Development Center
20 Program Fund established under § 5-1204 of this subtitle.

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

6 [(c)] (D) “Program” means the Maryland Not-For-Profit Development
7 Center Program established under § 5-1202 of this subtitle.

8 [(d) “Not-for-profit entity” means a corporation incorporated in the State, or
9 otherwise qualified to do business in the State:

10 (1) that has been determined by the Internal Revenue Service to be
11 exempt from taxation under § 501(c)(3), (4), or (6) of the Internal Revenue Code;]

12 (E) **“QUALIFYING NOT-FOR-PROFIT ENTITY”** MEANS A
13 **NOT-FOR-PROFIT ENTITY:**

14 [(2)] (1) that has annual revenues not greater than \$750,000;

15 [(3)] (2) that has been in existence for not more than 10 years; and

16 [(4)] (3) whose principal purpose is providing health, education,
17 environmental, agricultural, or social services through community-based programs.

18 5-1202.

19 (a) There is a Maryland Not-For-Profit Development Center Program in the
20 Department.

21 (b) The Program shall foster, support, and assist the economic growth and
22 revitalization of **QUALIFYING** not-for-profit entities in the State by providing training
23 and technical assistance services.

24 5-1203.

25 The Program shall provide assistance to **QUALIFYING** not-for-profit entities,
26 including:

27 (1) operation of an information exchange governing current and new
28 technical information and data about all aspects of not-for-profit management,
29 including:

30 (i) not-for-profit start-up;

- 1 (ii) budgeting and financial management;
- 2 (iii) facilities development and management;
- 3 (iv) board development;
- 4 (v) organizational development and strategic planning;
- 5 (vi) marketing;
- 6 (vii) federal and State contracting and grant making;
- 7 (viii) individual, corporate, and foundation fund-raising;
- 8 (ix) volunteer management;
- 9 (x) personnel management;
- 10 (xi) federal and State tax law and regulations;
- 11 (xii) federal and State law and regulations governing charitable
12 solicitations;
- 13 (xiii) federal and State regulations applicable to licensing or
14 accreditation;
- 15 (xiv) federal and State financing programs; and
- 16 (xv) information technology; and

17 (2) individual consultation and technical assistance to any
18 **QUALIFYING** not-for-profit entity that requests the service, including assistance on
19 any of the subjects identified in item (1) of this section.

20 5-1205.

21 (a) The Department shall designate at least one private not-for-profit entity
22 to receive grants from the Maryland Not-For-Profit Development Center Program
23 Fund to implement the Program.

24 (b) In selecting a designee, the Department shall consider and give priority
25 to organizations that:

26 (1) have experience in providing the scope of assistance and services
27 required under § 5-1203 of this subtitle to **QUALIFYING** not-for-profit entities in the
28 State;

1 (2) demonstrate the capacity to provide the assistance and services
2 required under § 5–1203 of this subtitle on a statewide basis; and

3 (3) demonstrate current expenditures that:

4 (i) are equal to at least three times the amount of funding
5 received under this section; and

6 (ii) have been received from other sources for the provision of
7 assistance and services of the type required under § 5–1203 of this subtitle to
8 not-for-profit entities in the State.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2009.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.