

# SENATE BILL 860

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By: **Senator Pugh**

Introduced and read first time: February 6, 2009

Assigned to: Finance

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## A BILL ENTITLED

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.

21 (c) **“NOT-FOR-PROFIT ENTITY” MEANS A CORPORATION**  
22 **INCORPORATED IN THE STATE, OR OTHERWISE QUALIFIED TO DO BUSINESS IN**  
23 **THE STATE, THAT HAS BEEN DETERMINED BY THE INTERNAL REVENUE**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **SERVICE TO BE EXEMPT FROM TAXATION UNDER § 501(C)(3), (4), OR (6) OF THE**  
2 **INTERNAL REVENUE CODE.**

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

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

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

9 (E) **“QUALIFYING NOT-FOR-PROFIT ENTITY” MEANS A**  
10 **NOT-FOR-PROFIT ENTITY:**

11 [(2)] (1) that has annual revenues not greater than \$750,000;

12 [(3)] (2) that has been in existence for not more than 10 years; and

13 [(4)] (3) whose principal purpose is providing health, education,  
14 environmental, agricultural, or social services through community-based programs.

15 5-1202.

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

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

21 5-1203.

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

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

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

28 (ii) budgeting and financial management;

29 (iii) facilities development and management;

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

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

18 5-1205.

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

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

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

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

29 (3) demonstrate current expenditures that:

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

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

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