

## CHAPTER 106

(House Bill 1193)

AN ACT concerning

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

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

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

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

#### **Article – Economic Development**

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

[(c)] (d) “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;]

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

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

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

[(4)] (3) 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 **QUALIFYING** not-for-profit entities in the State by providing training and technical assistance services.

5-1203.

The Program shall provide assistance to **QUALIFYING** 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 **QUALIFYING** not-for-profit entity that requests the service, including assistance on any of the subjects identified in item (1) of this section.

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 **QUALIFYING** 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.

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

**Approved by the Governor, April 14, 2009.**