

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 1193
Economic Matters

(Delegate Hecht, *et al.*)

Finance

Maryland Not-For-Profit Development Center Program - Qualifying Not-For-Profit Entity Assistance

This bill clarifies the requirements that a not-for-profit entity must meet to qualify to receive assistance from the Maryland Not-For-Profit Development Center Program. Designation as a “qualifying not-for-profit entity” is one factor for the Department of Business and Economic Development (DBED) to consider and prioritize when determining which not-for-profit entity or entities to select as grant recipients to implement the program.

Fiscal Summary

State Effect: None. The bill does not significantly affect State operations or finances.

Local Effect: None.

Small Business Effect: Potential meaningful for small nonprofit organizations excluded from consideration for grant funding.

Analysis

Current Law: Chapter 313 of 2008 created the Maryland Not-For-Profit Development Center Program in DBED to provide training and technical assistance to nonprofit organizations throughout the State. It also increased by \$50 the nonrefundable processing fee on articles of incorporation filed by a nonstock corporation and dedicated the revenues to a special fund to support the program.

A not-for-profit entity that is able to receive assistance from the Maryland Not-For-Profit Development Center Program is a corporation incorporated in the State, or otherwise qualified to do business in the State that: (1) has annual revenues of \$750,000 or less; (2) has been in existence for 10 years or less; and (3) has as its principal purpose the provision of health, education, environmental, agricultural, or social services through community-based programs.

DBED must 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. DBED is required to develop selection criteria that give priority to organizations that:

- have experience in providing the scope of assistance and services required by nonprofit entities in the State;
- demonstrate the capacity to provide the assistance and services required on a statewide basis; and
- have current expenditures equal to at least three times the amount of funding received from the fund, and that have been received from other sources to provide similar services.

Background: The program is not yet funded; DBED advises that, as of February 2009, the Maryland Not-For-Profit Development Center Program Fund had no fund balance.

Additional Information

Prior Introductions: None.

Cross File: SB 860 (Senator Pugh) - Finance.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - February 23, 2009
ncs/rhh

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