

SENATE BILL 365

P1

EMERGENCY BILL
ENROLLED BILL

(5lr0951)

— *Finance/Health and Government Operations* —

Introduced by **Senators Kagan, Sydnor, and M. Washington**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Department of Commerce – Nonprofit Organizations Navigator – Established**

3 FOR the purpose of establishing a nonprofit organizations navigator within the
4 Department of Commerce; specifying the duties of the navigator; altering the
5 composition and duties of the Maryland Efficient Grant Application Council; and
6 generally relating to the nonprofit organizations navigator and the Maryland
7 Efficient Grant Application Council.

8 BY adding to

9 Article – Economic Development

10 Section 2.5–110

11 Annotated Code of Maryland

12 (2024 Replacement Volume and 2024 Supplement)

13 BY repealing and reenacting, with amendments,

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.

Italics indicate opposite chamber/conference committee amendments.



1 Article – State Finance and Procurement
2 Section 2–209 and 2–210
3 Annotated Code of Maryland
4 (2021 Replacement Volume and 2024 Supplement)

5 BY repealing
6 Chapter 28 of the Acts of the General Assembly of 2024
7 Section 2

8 BY repealing
9 Chapter 29 of the Acts of the General Assembly of 2024
10 Section 2

11 BY repealing and reenacting, with amendments,
12 Article – Economic Development
13 Section 2.5–110
14 Annotated Code of Maryland
15 (2024 Replacement Volume and 2024 Supplement)
16 (As enacted by Section 1 of this Act)

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

19 **Article – Economic Development**

20 **2.5–110.**

21 **(A) THERE IS A NONPROFIT ORGANIZATIONS NAVIGATOR IN THE**
22 **DEPARTMENT.**

23 **(B) THE SECRETARY SHALL DESIGNATE THE NAVIGATOR.**

24 **(C) THE NAVIGATOR SHALL:**

25 **(1) PROVIDE TECHNICAL ASSISTANCE TO NONPROFIT**
26 **ORGANIZATIONS IN OBTAINING ACCESS TO AND APPLYING FOR STATE GRANT**
27 **PROGRAMS;**

28 **(2) WORK WITH NONPROFIT ORGANIZATIONS AND UNITS OF STATE**
29 **GOVERNMENT TO RESOLVE PROCEDURAL COMPLEXITIES AND DELAYS IN STATE**
30 **GRANT-MAKING PROCESSES;**

31 **(3) COLLECT AND SHARE INFORMATION ON OPPORTUNITIES FOR**
32 **FEDERAL, STATE, AND LOCAL GRANTS WITH NONPROFIT ORGANIZATIONS; AND**

1 (xii) the Director of the Maryland Energy Administration, or the
2 Director's designee;

3 (xiii) the Executive Director of the Governor's Office of Crime
4 Prevention and Policy, or the Executive Director's designee;

5 (xiv) the chair of the Maryland Higher Education Commission, or the
6 chair's designee;

7 (xv) the Secretary of Natural Resources, or the Secretary's designee;

8 (xvi) **THE NONPROFIT ORGANIZATIONS NAVIGATOR, OR THE**
9 **NAVIGATOR'S DESIGNEE, WHO SHALL SERVE AS A NONVOTING MEMBER;**

10 **(XVII)** a representative from the Maryland Association of
11 Counties;

12 ~~[(xvii)]~~ **(XVIII)** a representative from the Maryland Municipal
13 League;

14 ~~[(xviii)]~~ **(XIX)** five representatives of private nonprofit
15 organizations with experience providing services funded by State or federal grants and that
16 reflect the size and diversity of the nonprofit grant recipients in the State, appointed by the
17 Governor;

18 ~~[(xix)]~~ **(XX)** one representative of a private nonprofit organization,
19 appointed by the President of the Senate; and

20 ~~[(xx)]~~ **(XXI)** one representative of a private nonprofit organization,
21 appointed by the Speaker of the House.

22 (2) (i) This paragraph applies to members of the Council appointed
23 under paragraph ~~[(1)(xviii)]~~ **(1)(XIX)** of this subsection.

24 (ii) The term of a member is 4 years.

25 (iii) The terms of members are staggered as required by the terms
26 provided for members of the Council on July 1, 2020.

27 (iv) At the end of a term, a member continues to serve until a
28 successor is appointed and qualifies.

29 (v) A member who is appointed after a term has begun serves only
30 for the rest of the term and until a successor is appointed and qualifies.

1 (vi) The Governor may remove a member for neglect of duty,
2 incompetence or misconduct.

3 (d) The Secretary of Budget and Management, or the Secretary's designee shall
4 serve as Chair of the Council.

5 (e) The staffing responsibilities of the Council shall be shared by the agencies
6 represented on the Council.

7 (f) A member of the Council:

8 (1) may not receive compensation as a member of the Council; but

9 (2) is entitled to reimbursement for expenses under the Standard State
10 Travel Regulations, as provided in the State Budget.

11 (g) The Council shall:

12 (1) advise the Department of Budget and Management on the
13 implementation of § 2-210 of this subtitle; and

14 (2) monitor and report to the Department of Budget and Management on
15 the State's progress towards implementing § 2-210 of this subtitle.

16 2-210.

17 (a) (1) In this section the following words have the meanings indicated.

18 (2) "Council" means the Maryland Efficient Grant Application Council
19 established under § 2-209 of this subtitle.

20 (3) "Department" means the Department of Budget and Management.

21 (4) (i) "Grant" means a legal instrument of financial assistance
22 between a State grant-making entity and a non-State entity that is:

23 1. used to enter into a relationship the principal purpose of
24 which is to transfer anything of value from the grant-making entity to the grant recipient
25 to carry out a public purpose authorized by law and not to acquire property or services for
26 the direct benefit or use of the grant-making entity; and

27 2. distinguished from a cooperative agreement in that it does
28 not provide for substantial involvement between the grant-making entity and the grant
29 recipient in carrying out the activity contemplated by the award.

30 (ii) "Grant" does not include an instrument that provides only:

- 1 1. direct government cash assistance to an individual;
- 2 2. a subsidy;
- 3 3. a loan;
- 4 4. a loan guarantee;
- 5 5. insurance;
- 6 6. grants made by the State higher education system, the
7 capital budget, the Department of Transportation, or the Maryland Technology
8 Development Corporation;
- 9 7. business development grants made by the Department of
10 Commerce; or
- 11 8. any State funding that is required annually and is
12 calculated through a formula set in statute.

13 (5) "Grant application form" means a grant application template and
14 related materials required to be submitted by grant applicants, including:

- 15 (i) required organizational materials; and
- 16 (ii) proposed budget categories and line items.

17 (6) "Uniform Guidance" means the Office of Management and Budget
18 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for
19 Federal Awards, 2 C.F.R. Part 200.

20 (b) (1) In order to improve efficiency, streamline and reduce redundant
21 processes, reduce paperwork and administrative burdens on both granting agencies and
22 grant recipients, and facilitate development and implementation of a statewide centralized
23 grants management and accountability system, the Council shall study and make
24 recommendations to the Department regarding the entire grants life cycle, including:

25 (i) the creation of the following materials for use by grant-making
26 agencies, grant applicants, and grant recipients in the State:

- 27 1. a uniform grant application form;
- 28 2. uniform financial controls and reporting requirements for
29 grant recipients; and
- 30 3. uniform performance progress reporting requirements for
31 grant recipients;

1 (ii) [the creation of a State Grants Ombudsperson to provide
2 technical assistance with:

- 3 1. accessing and navigating State grant programs;
4 2. resolving delays in the grant-making process; and
5 3. collecting and disseminating information on opportunities
6 for grants from federal, State, and local government;

7 (iii)] regulations adopting each part of the uniform guidance, with
8 appropriate modifications for its application to grant-making entities in the State,
9 including modifications or variances based on the scope or size of particular grant
10 programs, grant-making entities, or grantees;

11 [(iv)] (III) recommended timeframes and deadlines for the various
12 tasks included in items (i) [through (iii)] AND (II) of this paragraph;

13 [(v)] (IV) recommended deadlines for use and implementation by
14 the various grant-making entities of the materials prepared in accordance with item (i) of
15 this paragraph; and

16 [(vi)] (V) recommended deadlines for grant-making entities to
17 administer State and federal grants in accordance with the provisions of parts of uniform
18 guidance as adopted by the Department by regulation.

19 (2) In developing materials and recommendations under this subsection,
20 the Council shall:

21 (i) solicit the input of diverse stakeholders, including grant-making
22 agencies and organizations representing local governments, grant professionals, experts in
23 nonprofit accounting and auditing, and nonprofit service providers; and

24 (ii) establish one or more issue working groups, composed of
25 stakeholders representing diverse backgrounds appropriate to the charge of each
26 workgroup, and also reflecting the demographic diversity of the State and the diversity of
27 grant programs and grant recipients, including arts, history, and social service, to
28 participate in and facilitate the process of developing recommendations.

29 (c) On or before July 1, 2027, the Council shall submit a report on its full
30 recommendations as required by subsection (b)(1) of this section to the Department and the
31 General Assembly, in accordance with § 2-1257 of the State Government Article.

32 (d) On or before October 1, 2020, each State grant-making agency shall appoint
33 a Chief Accountability Officer who shall:

1 (1) serve as a liaison to the Council and the Department; and

2 (2) be responsible for the agency's representation and participation in the
3 process established under this section.

4 (e) The Department shall provide technical assistance and interpretations of
5 policy requirements in order to ensure the effective and efficient implementation of this
6 section.

7 **Chapter 28 of the Acts of 2024**

8 **[SECTION 2. AND BE IT FURTHER ENACTED, That:**

9 (a) The Maryland Efficient Grant Application Council shall:

10 (1) study the feasibility, cost, and impacts of designating a State Grants
11 Ombudsperson in accordance with § 2-210(b)(1)(ii) of the State Finance and Procurement
12 Article, as enacted by Section 1 of this Act; and

13 (2) on or before July 1, 2025, make recommendations regarding the
14 designation of a State Grants Ombudsperson, including recommended timelines and
15 deadlines, to the Department of Budget and Management.

16 (b) On or before December 31, 2025, the Department of Budget and Management
17 shall, in accordance with § 2-1257 of the State Government Article, report to the General
18 Assembly on the recommendations made by the Maryland Efficient Grant Application
19 Council under subsection (a) of this section.]

20 **Chapter 29 of the Acts of 2024**

21 **[SECTION 2. AND BE IT FURTHER ENACTED, That:**

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23 (1) study the feasibility, cost, and impacts of designating a State Grants
24 Ombudsperson in accordance with § 2-210(b)(1)(ii) of the State Finance and Procurement
25 Article, as enacted by Section 1 of this Act; and

26 (2) on or before July 1, 2025, make recommendations regarding the
27 designation of a State Grants Ombudsperson, including recommended timelines and
28 deadlines, to the Department of Budget and Management.

29 (b) On or before December 31, 2025, the Department of Budget and Management
30 shall, in accordance with § 2-1257 of the State Government Article, report to the General

1 Assembly on the recommendations made by the Maryland Efficient Grant Application
2 Council under subsection (a) of this section.]

3 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
4 as follows:

5 **Article – Economic Development**

6 2.5–110.

7 (a) There is a nonprofit organizations navigator in the Department.

8 (b) The Secretary shall designate the navigator.

9 (c) The navigator shall:

10 (1) provide technical assistance to nonprofit organizations in obtaining
11 access to and applying for State grant programs;

12 (2) work with nonprofit organizations and units of State government to
13 resolve procedural complexities and delays in State grant-making processes; **AND**

14 (3) collect and share information on opportunities for federal, State, and
15 local grants with nonprofit organizations[]; and

16 (4) represent nonprofit organizations' interests and concerns as a member
17 of the Maryland Efficient Grant Application Council established under § 2–209 of the State
18 Finance and Procurement Article].

19 SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General
20 Assembly that the nonprofit organization navigator position established under Section 1 of
21 this Act shall be filled on or before ~~January 1, 2026~~ July 1, 2025.

22 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take
23 effect on the taking effect of the termination provision specified in Section 4 of Chapters
24 484 and 485 of the Acts of the General Assembly of 2020. If the termination date of Chapters
25 484 or 485 is amended, Section 2 of this Act shall take effect on the termination of Chapters
26 484 or 485. This Act may not be interpreted to have any effect on that termination provision.

27 SECTION 5. AND BE IT FURTHER ENACTED, That:

28 (a) On or before January 1, 2027, the Department of Commerce shall report to
29 the Senate Finance Committee and the House Health and Government Operations
30 Committee, in accordance with § 2–1257 of the State Government Article, on the following
31 information for fiscal year 2026:

1 (1) the number of nonprofit organizations that received technical
2 assistance from the navigator in accordance with Section 1 of this Act;

3 (2) the total number of grant applications completed and submitted by
4 nonprofit organizations in the State as a result of receiving technical assistance from the
5 navigator in accordance with Section 1 of this Act;

6 (3) the total amount of grant funds awarded to nonprofit organizations in
7 the State as a result of receiving technical assistance from the navigator in accordance with
8 Section 1 of this Act; and

9 (4) any findings and recommendations of the Department regarding the
10 implementation of Section 1 of this Act.

11 (b) The Department shall collect sufficient information from the nonprofit
12 organizations that receive technical assistance in accordance with Section 1 of this Act to
13 complete the report required under subsection (a) of this section.

14 SECTION 6. AND BE IT FURTHER ENACTED, That, except as provided in Section
15 4 of this Act, this Act ~~shall take effect July 1, 2025~~ is an emergency measure, is necessary
16 for the immediate preservation of the public health or safety, has been passed by a yea and
17 nay vote supported by three-fifths of all the members elected to each of the two Houses of
18 the General Assembly, and shall take effect from the date it is enacted. It shall remain
19 effective through June 30, 2027, and, at the end of June 30, 2027, this Act, with no further
20 action required by the General Assembly, shall be abrogated and of no further force and
21 effect.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.