

# **Senate Bill 125 - Revival of Nonprofits to Senate**

Uploaded by: Henry Bogdan

Position: FAV

February 2, 2022

Statement on Senate Bill 125  
Revival of Nonstock and Religious Corporations  
Senate Judicial proceedings Committee

Position: **Support**

Maryland Nonprofits is a statewide association of more than 1300 nonprofit organizations and institutions. We strongly urge you to support Senate Bill 125 to ease the bureaucratic administrative burdens placed on many organizations seeking to renew their nonstock corporate status in Maryland.

Presently, nonstock and religious corporations that fail to file annual reports must submit all annual reports required to be filed by the corporation or which would have been required if the charter had not been forfeited. This can present an undue burden on nonstock and religious organizations that commonly fail to file through administrative oversight.

Often, the failure to file is associated with organizations that operate with modest budgets or no staff or professional compliance support. Some of these failures occur with all-volunteer organizations, where record-keeping and filings lapse after the departure or death of the responsible officer, sometimes leading to a loss of organizational records. One professional assisting an organization with its dissolution shared with us that he was required to do 27 years of back filings prior to dissolving that organization.

Requiring annual reports for all missing years may require re-creation of numerous reports that in any case are going to show low or no income and expenses. Reaching back beyond a certain number of years does not provide information about the corporation's current health or likelihood of survival and only serves to exhaust limited resources to correct an administrative error.

We urge you to give Senate Bill 125 a favorable report.

**SB125TestimonySen.Beidle.pdf**

Uploaded by: Pamela Beidle

Position: FAV

PAMELA G. BEIDLE  
*Legislative District 32*  
Anne Arundel County

Finance Committee

*Vice Chair*

Executive Nominations Committee



James Senate Office Building  
11 Bladen Street, Room 202  
Annapolis, Maryland 21401  
410-841-3593 · 301-858-3593  
800-492-7122 Ext. 3593  
Pamela.Beidle@senate.state.md.us

THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

January 31, 2022

**SB 125**  
**Revival of Nostock and Religious Corporations**

Chairman Smith, Vice Chair Waldstreicher and Members of the Judicial Proceedings Committee:

Senate Bill 125 applies to Nonstock and Religious Corporations regarding the “revival” of this type of corporation. The State Department of Assessments and Taxation requires that an Annual Personal Property report be filed annually. If the report is not filed an organization is no longer in “good standing,” they have forfeited their charter. This annual report can create a good deal of problems for a non-profit that is managed by volunteers that frequently change.

This past year, I received a call from a new treasurer to the Old Mill Patriots Booster organization. Somehow the filing of the annual form was missed two years ago and the organization had forfeited their charter with the State. The treasurer was told by SDAT that she needed to complete every annual report back to the beginning of the organization. That was over 20 years ago. The Patriots had been in “good standing” until 2020. In my conversations with SDAT, I learned that this requirement was due to a legal interpretation from the Attorney General’s office.

The purpose of SB 125 is to clarify that the nonstock or religious Corporation is only required to file the Annual reports back to the year that the charter was forfeited, or seven years back, whichever is less to be considered in “good standing”.

Thank you for the opportunity to present SB 125. I respectfully ask for a favorable report.

**SB 125\_mgoldstein\_fav 2022.pdf**

Uploaded by: Mathew Goldstein

Position: UNF



Secular Maryland

secularmaryland@tutanota.com

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February 02, 2022

**SB0125 - OPPOSE**

Revival of Nonstock and Religious Corporations

Dear Chair Smith, Vice-Chair Waldstreicher, and Members of the Judicial Proceedings Committee,

Our understanding is that Maryland religious corporations are nonstock corporations. The "A NONSTOCK CORPORATION OR RELIGIOUS CORPORATION" sentence fragment in this bill therefore appears to us to be redundant. Secular Maryland advocates for equal treatment under the law for similarly situated religious and secular institutions. Religious corporations are a subset of the secular non-profit corporation group. What is good for religious corporations will normally ipso facto be good for non-profit corporations more generally. If there is a need to reference an additional subset of corporations in this context then how about specifying non-profit corporations instead of singling out religious corporations?

Respectfully,  
Mathew Goldstein  
3838 Early Glow Ln  
Bowie, MD