

Written Testimony in Support of HB 0122

House Bill 0122 – State Aid – Nonprofits – Status
House Government, Labor, and Elections Committee
January 27, 2026

Position: FAVORABLE

Chair, Vice Chair, and Members of the Committee:

My name is **Michael Phillips**, and I respectfully submit this testimony **in support of House Bill 0122**.

HB 0122 is a straightforward, common-sense accountability measure that ensures taxpayer dollars are distributed responsibly. The bill simply requires that nonprofit organizations be in good standing with the State Department of Assessments and Taxation—or meet equivalent registration requirements—before receiving state aid.

This is not an onerous requirement. It is a baseline expectation.

Maryland already requires nonprofits to register, report, and remain compliant in order to legally operate. HB 0122 ensures that organizations receiving **public funds** meet those existing standards before taxpayer dollars are awarded. That is both fiscally responsible and respectful of the public trust.

From a governance perspective, this bill protects:

- **Taxpayers**, by ensuring funds are not distributed to entities that are delinquent, inactive, or improperly registered
- **Legitimate nonprofits**, by creating a level playing field and discouraging misuse or misrepresentation
- **The State**, by reducing risk, waste, and administrative uncertainty in grantmaking and aid programs

Importantly, HB 0122 does **not** limit which nonprofits may apply for funding based on ideology, mission, or political alignment. It does **not** reduce funding levels or create new reporting burdens. It simply ties eligibility for state aid to compliance with laws already on the books.

In an era where public confidence in government spending is fragile, transparency and accountability are essential. Maryland should not be in the position of issuing grants or subsidies to organizations that cannot meet basic registration and compliance requirements.

HB 0122 strengthens oversight without expanding bureaucracy, advances fiscal responsibility without politicizing nonprofit work, and reinforces the principle that public funds come with minimal but reasonable standards.

For these reasons, I respectfully urge the Committee to issue a **FAVORABLE report** on House Bill 0122.

Thank you for your time and consideration.

Respectfully submitted,

A handwritten signature in blue ink that reads "Michael Phillips". The signature is written in a cursive style with a large initial "M".

Michael Phillips
Frederick, MD