

TESTIMONY IN SUPPORT OF HB0122 (WITH AMENDMENTS)

State Aid – Nonprofits – Status

TO: Chair Melissa Wells, Vice Chair Kenneth Kerr, and members of the House Government, Labor, and Elections Committee

FROM: Jason Rodriguez (known on the front lines as **Brother Jason**), Deputy Executive Director

ORGANIZATION: People Empowered By The Struggle

DATE: January 27, 2026

POSITION: FAVORABLE WITH AMENDMENTS

Chair Wells and Members of the Committee,

My name is **Jason Rodriguez**, though I am known on the front lines as **Brother Jason**. I am the Deputy Executive Director of **People Empowered By The Struggle**, a 501(c)(3) nonprofit at 4502 Carleview Road, Baltimore. While we fully support the intent of **HB0122** to bring accountability to the nonprofit sector, we are requesting a specific amendment regarding the scope of "tax obligations".

The Core Mission of HB0122 is Vital We strongly agree that any entity receiving State aid must be a "good actor". For too long, lack of oversight has allowed funds to bypass organizations doing the real work. Recent investigations underscore the need for this bill:

- **The \$26 Million Oversight:** It was recently uncovered that 23 nonprofits in Baltimore received over \$26 million in public funds while being non-compliant with state laws.
- **Missing Audits:** Some entities have managed to receive over \$60 million in funding without ever completing a required financial audit.
- **Institutional Neglect:** When non-compliant organizations are funded, it drains resources away from compliant, grassroots nonprofits like ours that follow every rule to the letter.

Requested Amendment: Focus on the Entity, Not the Individual While we support strict standards for the nonprofit entity, we propose an amendment to section **(B)(2)**. As currently written, the bill prohibits aid if the entity is not current on "any federal, state, or local tax obligations".

We believe this language should be clarified to apply **strictly to the nonprofit organization itself**, and not be used to disqualify a sound, compliant organization based on the personal tax status of its individual officers or board members.

- **Nonprofit Integrity:** If an organization is in Good Standing with the IRS and SDAT, and has filed its Form 990s, its mission should not be derailed by the private financial struggles of an individual.
- **Community Impact:** Disqualifying a healthy nonprofit due to an individual's personal tax lien could unfairly punish the vulnerable Baltimore communities we serve.

Conclusion We want a system where taxpayers can trust that their money is going to organizations with a "current charter" and "IRS good standing". By focusing the accountability on the **entity's** standing, the State can ensure fiscal responsibility without creating an unjust barrier to entry for community-led organizations.

For these reasons, **People Empowered By The Struggle** respectfully requests a **FAVORABLE WITH AMENDMENTS** report on **HB0122**.

Sincerely,

Jason Rodriguez ("Brother Jason")

Deputy Executive Director

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