

Noteworthy Nonprofit Legislation

National Council of Nonprofits
September 27, 2021

COVID-Response Legislation

- **California Small Business COVID-19 Relief Grant Program (2021)**
Sens. Min, Caballero [S.B. 87](#) (Enacted)
Administers three rounds of grants of up to \$25,000 to qualified small businesses, including small nonprofits; appropriates \$2.075 billion for small business COVID-19 relief grants, including \$50 million for nonprofit cultural institutions; includes provisions for nonprofit-grantee data collection, nonprofit outreach and expertise, and selection criteria that take into account nonprofit subsectors heavily affected by the pandemic; limits nonprofits to those with gross revenues of less than \$2.5 million and used for costs resulting from the COVID-19 pandemic and related health and safety restrictions or business interruptions or closures incurred as a result of the pandemic.
- **Colorado COVID-19 Relief Programs (2021)**
Sens. Winter, Priola [S.B.21-001](#) (Enacted)
Expands the scope the COVID-19 relief program for minority-owned, women-owned, and veteran-owned businesses to businesses in economically distressed areas.
- **Minnesota Main Street COVID-19 Relief Grant Program (2021)**
Reps. Noor, Ecklund; Sens. Pratt, Rarick, Draheim, Housley [H.F.1](#) / [S.F.9](#) (Enacted)
Appropriates \$70 million to help small businesses, including nonprofits organizations that earn revenue in ways similar to businesses, including but not limited to ticket sales and membership fees, negatively impacted by COVID-19; establishes the Main Street Economic Revitalization Program and appropriates \$80 million to award grants to partner organizations, including nonprofits, businesses, and developers, for grants and guaranteed loans for economic development and redevelopment project.
- **North Carolina Appropriations (2021)**
Reps. Faircloth, Bumgardner, Hall, Strickland; Sens. Jackson, Harrington, Hise [H.196](#) / [S.172](#) (Enacted)
Appropriates funding for private nonprofit schools, food assistance programs, education, libraries, block grants, childcare, COVID-19 detection, vaccine management; reallocates Coronavirus Relief Funds, including an additional \$6 million to food banks; clarifies how and how much of the state emergency rental assistance funds will be distributed to each county; extends virtual notarization through 12/31/2021.
- **Pennsylvania Nonprofit Assistance Grant Program (2021)**
Rep. Krueger [HB 347](#) (Pending)
Appropriates \$100 million for the Nonprofit Assistance Grant Program for grants up to \$50,000 for costs associated with losses related directly to COVID-19, PPE, safety requirements for COVID-19, and other COVID-19 related expenses.
- **Create in Utah Grant Program and ARPA Appropriations (2021)**
Sens. Ipson and Last [S.B. 1001](#) (Enacted)
Appropriates \$13.2 million for a Create in Utah grant program from ARPA funds for arts-based nonprofits, \$15 million for grants to small businesses and nonprofits, \$15 million for higher education, \$165 million for social services including vaccine distribution, pandemic-related mental health services, and a food bank for the Navajo Nation; allocates \$100 million to replenish the unemployment compensation fund.

Government Grants and Contracts Reforms

- **California Nonprofit Liaison (2021)**
Sen. Limon [S.B. 543](#) (Pending)
Requires each state agency that does significant business with or has policies that affect nonprofits to have a designated nonprofit liaison to address nonprofit complaints, provide technical assistance on agency policy compliance, develop innovative contracting policies, and report nonprofit concerns to agency leadership.
- **California Government Contracts Flexibility (2021)**
Sen. Glazer [S.B. 784](#) (Pending)
Allows nonprofits with state contracts for "non-essential" services to continue to receive payment during emergencies despite changes to contract performance due to the emergency.
- **Maryland Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) Fund (2021)**
Sen. Kagan [SB 376](#) (Did not pass but secured funding)
Increases Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) amounts from up to 5% or \$100,000, whichever was less, to 5% in 2022.
- **New Mexico Nonprofit Assistance (2021)**
Sen. Ortiz y Pino [S.J.R. 24](#) (Did not pass)
Clarifies that the state or a county or municipality may provide assistance to advance community well-being by providing real estate, equipment, or money for the use of a nonprofit organization so long as the goods and services are pursuant to a government contract.

Charitable Giving Incentives

- **Arizona Non-Itemizer Charitable Deduction (2021)**
Sen. Mesnard [S.B. 1828](#) (Enacted)
Increases the cap on the charitable contribution by the rate of inflation each year.
- **North Carolina Tax Credit (2021)**
Sens. Woodard, Marcus [S.504](#) (Pending)
Creates a 25% state tax credit for charitable contributions for non-itemizers.

Budget & Spending

- **New Mexico Vibrant Communities Act (2021 – did not pass)**
Sen. Ortiz y Pino [SB 393](#)
Provides direct or indirect assistance to qualifying entities, including 501(c)(3) nonprofits, to assist sick and indigent residents, promote health and self-sufficiency, and community and economic development; permits projects to include the purchase, lease, or other acquisition of land, buildings or other infrastructure, public works improvements, and payments for professional services contracts.

Unemployment Policy

- **Maryland Unemployment Insurance Extension (2021)**
Sen. Kagan [S.B. 790](#) (Did not pass, but amended into another bill)
Extends the deadline for a reimbursing nonprofit to pay unemployment insurance claims from 30 days to one year after the state of emergency due to COVID-19 ends.
- **Maryland Unemployment Insurance Protections (2021)**
Del. Carey [H.B. 908](#) (Enacted)
Permits contributing employers and reimbursing nonprofits with fewer than 50 employees to defer unemployment insurance contributions for the first three quarters of 2021 without filing an extension or paying interest.
- **New Jersey Unemployment Insurance Protections (2021)**
Sens. Gopal, Madden; Asms. Greenwald, Murphy, Verrelli [S.3714](#) / [A.5691](#) (Enacted)
Provides 25% coverage for reimbursing employers in 2021, the portion not covered by federal funds; appropriates \$50 million.

Regulation & Governance

- **Idaho Remote Communications (2021)**
Rep. Shepherd [H.103](#) (Enacted)
Permits remote communication authorized by the board of directors for nonprofit meetings and voting.
- **Maine Remote Communications (2021)**
Sen. Stewart [L.D. 683](#) (Enacted)
Permits nonprofits to hold meetings and vote with remote communications.
- **New York Nonprofit Voting Requirements (2021)**
Sens. Comrie, Gallivan; Asm. Paulin [A.213/S.3265](#) (Enacted)
Requires a two-thirds vote of directors present, if a quorum is present at the time, or by a vote of the number of directors under corporate documents for a merger or consolidation of a nonprofit.
- **North Carolina Nonprofit Corporations Act Modernization (2021)**
Sens. Woodard, Burgin, Mayfield; Reps. Lofton, Howard, Reives, Moffitt [S. 540](#) / [H.696](#) (Pending)
Creates a simple, online, no-fee annual report; allows more nonprofit boards to use email to take action by unanimous written consent; allows nonprofits to merge with unincorporated nonprofit associations or limited liability companies that are treated as 501(c)(3)s for federal tax purposes; removes Attorney General approval requirement for dissolution; simplifies process for nonprofits incorporated in other states to become North Carolina nonprofit corporations; and requires new nonprofits, except private foundations, to have at least three board members.
- **North Dakota Remote Communications (2021)**
Reps. Buffalo, Hogan, Lee, Heckaman, Dobervich [S.B. 2138](#) (Enacted)

Allows remote communication for nonprofit meetings.