

# Noteworthy Nonprofit Legislation

## National Nonprofit Legislative Caucus

July 21, 2022



COVID-Response Legislation			
California Small Business COVID-19 Relief Grant Program	Sens. Min and Caballero	2021 <a href="#">S.B. 87</a> (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	Sens. Winter and Priola	2021 <a href="#">S.B.21-001</a> (Enacted)	Expands the scope the COVID-19 relief program for minority-owned, women-owned, and veteran-owned businesses to businesses in economically distressed areas.
Kentucky Nonprofit COVID-19 Direct Payments	Reps. Petrie and Reed	2022 <a href="#">H.B.1</a> (Enacted)	Appropriates \$75 million from ARPA funds to provide direct relief payments to eligible nonprofits of up to \$100,000, not to exceed the net negative revenue difference between 2020 and 2021.
Maryland Small Business and Nonprofit Health Insurance Subsidies Program	Sen. Hester	2022 <a href="#">S.B. 632</a> (Enacted)	Establishes a 5-year program and appropriates \$45 million in federal and ARPA funds to subsidize qualified employers and their employees to purchase health benefit plans.
Michigan Nonprofit Relief Grant Program	Reps. VanWoerkom and Albert	2022 <a href="#">H.B. 5783</a> (Enacted)	Establishes a nonprofit relief program for grants up to \$20,000 to nonprofit community service organizations to be administered by the Department of Labor and Economic Opportunity in partnership with the Michigan Nonprofit Association.
Minnesota Main Street COVID-19 Relief Grant Program	Reps. Noor, Ecklund; Sens. Pratt, Rarick, Draheim, Housley	2021 <a href="#">H.F.1</a> / <a href="#">S.F.9</a> (Enacted)	Appropriates \$70 million to help small businesses, including nonprofit organizations that earn revenue in ways similar to businesses, including but not limited to ticket sales and membership fees, negatively impacted by COVID-19 and 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.

Nebraska Nonprofit COVID-19 Funding	Rep. Hilgers	2022 <a href="#">L.B. 1014</a> (Enacted)	Appropriates \$323 million in ARPA funds for nonprofit priorities resulting from the pandemic, including food assistance, affordable housing for immigrants and refugees and provide job training and placement, economic recovery, low-income housing tax credits, workforce housing in rural areas, worker training, increased childcare capacity, and support services for youth aging out of foster care.
Nebraska Apprenticeship	Sen. Morfeld	2022 <a href="#">L.B. 1063</a> (Did Not Pass)	Appropriates \$5 million in federal funds to increase the number of and provide premium pay to apprentices.
New Jersey Penalty Waivers	Asms. Lopez, McKnight, Karabinchak, Ruiz, Vitale	2020 <a href="#">A.3996</a> (Enacted)	Permits a state agency to provide a waiver of any penalty for failure of a nonprofit organization to fulfill the terms and conditions in the contract and permits nonprofits to request a modification of the terms and conditions of a contract or agreement due to COVID-19.
North Carolina Job Retention Grant Program	Sens. Woodard and Newton	2020 <a href="#">H.B. 1023</a> (Enacted)	Language added to Job Retention Grant Program ensuring nonprofit eligibility for grants to businesses and nonprofits that maintained most of their payroll during the first part of the pandemic but didn't receive PPP loans or other CARES Act support.
Oklahoma Nonprofit Grant Program	Sens. Thompson and Wallace	2022 <a href="#">S.B. 11</a> / <a href="#">S.B. 6</a> (Enacted)	Establishes a \$25 million grant program for grants up to \$75,000 for 501(c)(3) nonprofits that provide direct services to residents, are in good standing and compliant with tax laws, and demonstrate a negative financial impact directly related to the pandemic.
Create in Utah Grant Program and ARPA Appropriations	Sens. Ipson and Last	2021 <a href="#">S.B. 1001</a> (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 Contracting Reforms

California Nonprofit Liaison	Sen. Limon	2021-2022 <a href="#">S.B. 543</a> (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. See the <a href="#">California Coalition on Government Contracting Letter</a> .
California Resilience Navigators Program	Sen. Caballero	2022 <a href="#">S.B. 1123</a> (Pending)	Requires state agencies to provide technical assistance and a transparent application process for applicants including nonprofits for climate disaster financial assistance under the Resilience Navigators Program.

Hawaii Procurement Reform	Sen. Kouchi	2022 <a href="#">S.B. 3040</a> (Enacted)	Amends the nomination process and the number of the members for the Procurement Policy Board, authorizes the State Procurement Administrator to develop and administer procurement automation systems and assess, charge, and collect a transaction fee from all vendors using the procurement automation systems, and establishes a procurement automation system special fund.
Kentucky Task Force to Improve Nonprofit & Government Contracts	Reps. Wuchner and Simpson	2015 <a href="#">HCR 89</a> (Enacted)	Establishes a Task Force to bring together leaders of government and nonprofits to explore opportunities to streamline application, reporting and monitoring processes while maintaining a commitment to transparency, accountability and stewardship of funds - allowing them to become true partners in more effectively and efficiently addressing community needs. See <a href="#">Kentucky Nonprofit Network summary</a> .
Maryland Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) Fund	Sen. Kagan	2017 <a href="#">S.B. 0465</a> (Enacted)	Expands the scope of the <a href="#">Maryland Nonprofit Development Center Program and Fund</a> to establish the Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) Account to provide bridge loans to qualifying nonprofit entities between the award date of a government contract and the actual receipt date of those awarded funds.
Maryland Grants Reform	Sen. Kagan	2018 <a href="#">S.B. 1045</a> (Enacted)	Requires that certain grants/contracts made with state or local funds reimburse nonprofits for indirect costs at the nonprofit's federally approved indirect cost rate if one exists, or at least 10 percent of modified total direct costs as defined in the OMB Uniform Guidance. See <a href="#">Maryland Nonprofits analysis</a> . Revised via <a href="#">S.B. 0017</a> in 2019.
Maryland Common Applications for Nonprofits	Sen. Kagan	2020 <a href="#">S.B. 630</a> (Enacted)	Establishes the Maryland Efficient Grant Application Council to monitor, report, and make recommendations on state grants life cycles, applications, and recipients and requires regulations on a uniform grant application form, financial controls and reporting requirements, and performance progress reporting requirements that are consistent with the OMB Uniform Guidance to the greatest extent practicable.
Maryland Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) Fund	Sen. Kagan	2022 <a href="#">S.B. 245</a> (Did Not Pass)	Increases the percentage paid by the Comptroller of the Nonprofit Interest-Free Micro Bridge Loan (NIMBL) Program to 5% and requires the Governor to include \$1 million for the NIMBL program in the FY2024 budget.
North Carolina Grants and Contracts Reform	Reps. Wheatley, Szoka, Martin, Adcock	2022 <a href="#">H.791</a> (Enacted; Originally Introduced by Sen. Burgin <a href="#">S.894</a> )	Requires the Department of Health and Human Services to enter into 2-year minimum contract agreements with certain nonprofits; provides the option to extend contracts up to 1 additional year if mutually agreed upon and funding is available; provides automatic 3-month contract extensions if the extension or renewal process is not completed with 10 days and certain conditions are met; requires legislative staff to provide nonprofit contract information for nonprofits receiving directed grants in the state budget to DHHS in a timely manner; and establishes a de minimis 10% indirect cost rate for nonprofit grants and contracts with DHHS, regardless of whether funding initiates from federal or state funds.

## Charitable Giving Incentives

Arizona Non-Itemizer Deduction	Rep. Toma	2019 <a href="#">HB 2757</a> (Enacted)	Establishes a non-itemizer deduction for up to 25% of a taxpayer's charitable contributions.
Arizona Non-Itemizer Charitable Deduction	Sen. Mesnard	2021 <a href="#">S.B. 1828</a> (Enacted)	Increases the cap on the non-itemizer deduction by the rate of inflation each year.
Colorado Non-Itemizer Deduction	Rep. Vigil; Sen. Mitchell	2005 <a href="#">HB 05-1125</a>	Allows taxpayers who take the standard deduction to annually deduct charitable contributions over \$500 on state taxes.
New Jersey Tax Deduction	Ses. Oroho and Singleton; Rep. Murphy	2022 <a href="#">S.2013/A.2532</a> (Pending)	Provides gross income tax deduction for charitable contributions to certain New Jersey-based charitable organizations during the COVID-19 pandemic. See the <a href="#">Center for Non-Profits (NJ) analysis</a> .
North Carolina Tax Credit	Sens. Woodard and Marcus	2021 <a href="#">S.504</a> (Did Not Pass)	Creates a 25% state tax credit for charitable contributions for non-itemizers.

## Tax Policy

Colorado Nonprofit Sales Tax Exemption	Reps. Herod and Van Winkle; Sens. Todd and Lundeen	2019 <a href="#">HB 19-1323</a> (Enacted)	Increases the sales tax exemption for occasional sales by nonprofits to \$45K and repeals the requirement for sales to be limited to 12 days. See <a href="#">Colorado Nonprofit Association analysis</a> .
Hawaii Nonprofit General Excise Tax Exemption	Sen. Moriwaki	2022 <a href="#">SB 3201</a> (Vetoed)	Provides a general excise tax (GET) exemption for revenues generated from nonprofit fundraising events.
Oklahoma Nonprofit Sales Tax Exemption	Rep. Stark	2022 <a href="#">H.B. 3476</a> (Did Not Pass)	Provides a sales tax exemption to federally tax-exempt organizations registered and incorporated or organized in the state.

## Budget & Spending

Colorado Nonprofit Security Grant Program	Reps. Jodeh, Jenet, Hansen, Priola	2022 <a href="#">HB22-1077</a> (Enacted)	Creates the Colorado Nonprofit Security Grant Program and appropriates \$1.5 million to provide grants for eligible nonprofits and houses of worship that are at high risk of an extremist attack and not funded by FEMA for security purposes.
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New Mexico Well-Being Funds	Sen. Ortiz y Pino	2022 <a href="#">S.J.R. 7</a> (Did Not Pass)	Creates a ballot measure for a constitutional amendment to permit the state or locality to provide assistance to advance community well-being with state funds or resources through a nonprofit corporation or cooperative corporation.
New Mexico Vibrant Communities	Sen. Ortiz y Pino	2021 <a href="#">SB 393</a> (Did Not Pass)	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.
New York Human Service Workers COLA	Budget Committee	2022 <a href="#">A.9007C</a> (Enacted)	Establishes a 5.4% Cost of Living Adjustment for certain human services workers.

Employment Policy			
Connecticut Human Service Workers Pay	Rep Khan and Sen. Friedman	2022 <a href="#">H.237</a> / <a href="#">S.105</a> (Did Not Pass)	Eliminates the pay disparity between the salaries of human services workers employed by community-based human service providers and state employees holding similar job titles who perform similar work no later than July 1, 2027.
Connecticut Student Loan Reimbursement Program	Rep. Chafee	2022 <a href="#">H.B. 5130</a> (Did Not Pass)	Reimburses a nonprofit worker or nonprofit healthcare worker up to \$5,000 if they attended college in the state and meets certain employment periods and eligibility requirements.
Maryland Renewable Energy Nonprofit Organizations Loan Program	Sen. Kagan	2022 <a href="#">S.B. 683</a> (Did Not Pass)	Establishes the Renewable Energy for Nonprofit Organizations (RENO) Loan Program for nonprofits to purchase and install qualifying solar or geothermal renewable energy systems and requires the Governor to approve \$5 million for the fund.
Maryland Unemployment Insurance Extension	Sen. Kagan	2021 <a href="#">S.B. 790</a> (Amended into another bill)	Extends the deadline for a reimbursing nonprofit to pay unemployment insurance claims from 30 days to one year after the COVID-19 state of emergency ends.
Maryland Unemployment Insurance Protections	Del. Carey	2021 <a href="#">H.B. 908</a> (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.
Minnesota Unemployment Insurance Protections	Sen. Pratt	2022 <a href="#">S.F. 2677</a> (Enacted)	Appropriates \$2.7 billion from ARPA and general funds to repay the federal loan and interest accrued from the federal unemployment insurance trust fund and replenish the unemployment insurance trust fund, sets the unemployment base tax rate for contributing employers at .1%, waives penalties for 2022, provides up to \$1,500 hazard pay to eligible frontline workers.

New Jersey Unemployment Insurance Protections	Sens. Gopal, Madden; Asms. Greenwald, Murphy, Verrelli	2021 <a href="#">S.3714</a> / <a href="#">A.5691</a> (Enacted)	Provides 25% coverage for reimbursing employers in 2021, the portion not covered by federal funds, and appropriates \$50 million.
New Jersey Unemployment Insurance Cost Protections	Sens. Madden, Addiego; Rep. Greenwald	2020 <a href="#">S.3011</a> / <a href="#">A.4853</a> (Enacted)	Excludes the costs of unemployment benefits paid during the COVID-19 emergency declaration from consideration in a contributing employer's reserve ratio or experience rating and covers the remaining 50% costs for nonprofits that elect to make payments in lieu of contributions for unemployment benefits (i.e., reimbursing employers). See also <a href="#">A.4375</a> / <a href="#">S.2504</a> .
Vermont Unemployment Insurance Protections	Sens. Sears and Brock	2022 <a href="#">S.11</a> (Enacted)	Appropriates \$15.8 million to reimburse employers for paid and unpaid leave related to COVID-19, increases unemployment insurance benefits, and pays for the increase from the Unemployment Insurance Trust Fund.

## Nonprofit Advocacy Rights

New York Protection of Nonprofit Nonpartisanship	Sen. Krueger; Asm. Paulin	2019 <a href="#">S.4347</a> / <a href="#">A.623</a> (Enacted)	Incorporates into state law the prohibition that charitable nonprofits may not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office. See <a href="#">Governor's signing statement</a> and the National Council of Nonprofits <a href="#">resources on nonprofit nonpartisanship</a> .
New York Lobbying Threshold	Asm. Gonzalez-Rojas, Sen. Biaggi	2022 <a href="#">A.6943</a> / <a href="#">S.6398B</a> (Did Not Pass)	Raises the lobbying requirement threshold for nonprofit organizations to \$10,000.

## Regulation & Governance

California Fee Filing Exemption	Sen. Bates	2020 <a href="#">SB 934</a> (Enacted)	Eliminates the filing fees when nonprofits file for tax-exempt status with the State Franchise Tax Board.
Idaho Remote Communications	Rep. Shepherd	2021 <a href="#">H.103</a> (Enacted)	Permits remote communication authorized by the board of directors for nonprofit meetings and voting.
Michigan Charitable Gaming Laws	Sen. MacDonald	2022 <a href="#">S.B. 564</a> (Pending)	Permits more charitable gaming event licenses per year, increases the imitation money limit, removes limits on the number of games per week, and waives the \$50 per day fee.
New York Not-For-Profit Corporation Law	Asm. Paulin	2022 <a href="#">A.9969</a> (Did Not Pass)	Updates the state's Not-For-Profit Corporation statute, authorizes board and member unanimous consent decisions through electronic means, clarifies board membership and terms, and codifies quorum procedures.

New York Nonprofit Voting Requirements	Sens. Comrie, Gallivan; Asm. Paulin	2021 <a href="#">A.213</a> / <a href="#">S.3265</a> (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	Sens. Woodard, Burgin, Mayfield; Reps. Lofton, Howard, Reives, Moffitt	2021 <a href="#">S. 540</a> / <a href="#">H.696</a> (Did Not Pass)	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	Reps. Buffalo, Hogan, Lee, Heckaman, Dobervich	2021 <a href="#">S.B. 2138</a> (Enacted)	Allows remote communication for nonprofit meetings.
Oregon Residency	Rep. Barnhart	2018 <a href="#">HB 4026</a> (Enacted)	Prohibits the Department of Revenue from using charitable contributions to determine an individual's domicile or resident status. See <a href="#">Nonprofit Association of Oregon testimony</a> .
Tennessee Event Applications	Sen. Jackson	2022 <a href="#">H.B. 1995</a> (Enacted)	Removes the requirement for all annual event applications to be signed by a nonprofit organization's chair, president, or the chief administrative office.