



Advocacy Statement

Nonprofit Montgomery is an alliance of nonprofits serving residents of Montgomery County, Maryland's largest county. We work to strengthen the nonprofit sector serving Montgomery County, Maryland, through leadership development, organizational capacity building, and peer-to-peer networking and support; increase the visibility of nonprofits and the work they do; and influence progress through advocacy and strategic partnerships.

We would like to share our support of Senate Bill 184 authorizing the Secretary of State to issue regulations that allow them to exercise flexibility in enforcement actions for late or missing registrations or payments.

Many Montgomery County nonprofits are led by part-time or volunteer staff, and their governing boards are almost, if not entirely composed of unpaid volunteer directors. We are aware that compliance with state filings is a challenge for many organizations, including those with paid staff. It is almost always the case that these challenges are unintended and based on a failure of awareness or understanding of the myriad requirements.

Often, these are related to issues of succession planning and continuity, where paperwork is handled by a long-time employee or volunteer, and after they depart, responsibility isn't clearly delegated to another person. In Montgomery County, we hear from many small and emerging organizations, many with leaders who are unpaid, not native English speakers, and perhaps new to the county, state, and country. They often discover their lack of compliance when applying for county grant funding to support their community-based organizations.

The current practice of the Secretary of State's Office, to prioritize assisting in compliance rather than imposing penalties, is more appropriate in the majority of these situations, than a referral to the Central Collections Unit.

Senate Bill 184 does not preclude the Secretary's Office from the option of pursuing forced collection or penalties in cases where it is deemed appropriate.

We urge you to give Senate Bill 184 a FAVORABLE report.