MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 1074

H.P. 792

House of Representatives, March 4, 2003

An Act To Prohibit Disbursement of Funds by the State, Municipalities and Counties to Certain Nonprofits and Require the Secretary of State To Develop a System of Registration

Reference to the Committee on State and Local Government suggested and ordered printed.

Millicent M. Macfarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative JOY of Crystal. Cosponsored by Representatives: ANDREWS of York, ANNIS of Dover-Foxcroft, HEIDRICH of Oxford, LEWIN of Eliot, VAUGHAN of Durham.

	Be it enacted by the People of the State of Maine as follows:
2	Sec. 1. 5 MRSA §1521 is enacted to read:
4	RIEZI Dichungament of funda to manufit accounting authibited
6	§1521. Disbursement of funds to nonprofit corporations prohibited
8	The State may not disburse state funds to any nonprofit corporation except for:
10	1. Educational institutions. Licensed educational institutions with clearly defined and recognized student bodies;
12	2 Ligarded boolth open experientions or institutions
14	2. Licensed health care organizations or institutions. Licensed health care organizations or institutions with clearly defined and recognized clientele;
16	
	3. Veterans organizations. Veterans organizations; and
18	4. Churches. Churches.
20	
	Nothing in this section may be construed to prevent the
22	State from disbursing funds to municipalites or counties.
24	Sec. 2. 30-A MRSA §909 is enacted to read:
26	§909. Disbursement of funds to nonprofit corporations prohibited
28	A county may not disburse funds to any nonprofit corporation except for:
30	
32	1. Educational institutions. Licensed educational
32	institutions with clearly defined and recognized student bodies;
34	 Licensed health care organizations or institutions. Licensed health care organizations or institutions with clearly
36	defined and recognized clientele;
38	3. Veterans organizations. Veterans organizations; and
40	4. Churches. Churches.
42	Nothing in this section may be construed to prevent a county
	from disbursing funds to municipalities.
44	Sec. 3. 30-A MRSA §2006 is enacted to read:
46	Page 21 and 22 a
4.0	§2006. Disbursement of funds to nonprofit corporations prohibited
48	A municipality may not disburse funds to any nonprofit
50	corporation except for:

2	1. Educational institutions. Licensed educational
4	institutions with clearly defined and recognized student bodies;
4	2. Licensed health care organizations or institutions.
6	Licensed health care organizations or institutions with clearly
8	defined and recognized clientele;
Ū	3. Veterans organizations. Veterans organizations; and
10	4 Charaches Charaches
12	4. Churches. Churches.
	Sec. 4. Classification and registration system for nonprofit
14	corporations. The Secretary of State shall develop a system of classification and registration for all nonprofit corporations
16	operating within the State. As part of the registry, the
	Secretary of State shall develop a method to facilitate the
18	reporting of information regarding all funds collected by nonprofit corporations, including, but not limited to:
20	nonprofite corporacions, including, but not limited to.
2.2	1. The sources of funds;
22	2. The reasons for collections of funds;
24	
26	3. How collected funds are disbursed; and
	4. The specific purposes for and desired outcomes from the
28	disbursement of funds.
30	The Secretary of State shall submit the proposed system,
2.2	together with any necessary implementing legislation, to the
32	Joint Standing Committee on Judiciary no later than December 3, 2003. Following its receipt and review of the report, the Joint
34	Standing Committee on Judiciary may report out legislation to the
36	Second Regular Session of the 121st Legislature.
38	SUMMARY
40	This bill prohibits the State, municipalities and counties
4.2	from disbursing funds to certain nonprofit corporations. The
42	bill also requires the Secretary of State to develop a system of classification and registration for all nonprofit corporations in
44	the State and a method to facilitate reporting of information
	regarding the collections of funds.