

HOUSE RESEARCH

Bill Summary

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Subject: Nonprofit organizations receiving state funds

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Overview

Provides that a nonprofit organization receiving a state appropriation or grant: (1) may not pay an officer or employee a salary that exceeds the Governor's salary; and (2) must spend at least 75 percent of its revenue for charitable purposes, if the nonprofit organization is a charitable organization.

Section

- 1 Recipients of state grants and appropriations.** Provides that as a condition of receiving a state grant or appropriation, a nonprofit organization must agree that during the period covered by the grant or appropriation:
 1. No officer or employee will receive a salary from the organization or a related organization that exceeds the salary of the Governor (\$120,303);
 2. If the nonprofit is a charitable organization, it must spend at least 75 percent of its revenue for charitable purposes.
- 2 Effective date.** Section 1 is effective July 1, 2005 and applies to grant agreements entered into and appropriations received after that date.