

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 925 (Delegate Fry, et al.)
Appropriations

State Mandates on Local Government - Constitutional Restriction

This bill proposes a constitutional amendment to prohibit a law or regulation that requires additional expenditures by a county or municipal corporation from becoming effective unless the General Assembly (1) appropriates money from the State treasury to cover the expenditure; or (2) enacts enabling legislation authorizing the affected county or municipal corporation to provide a local revenue source to provide the necessary revenue.

Laws and regulations adopted, enacted, or amended on or after January 1, 1997 which would require additional expenditures by a county or municipal corporation would be affected by the provisions. The provisions of the proposed amendment do not apply to: (1) laws requested by the governing body of a county or municipal corporation; (2) laws that establish or amend a criminal offense; (3) laws adopted to comply with a federal mandate; and (4) laws passed by a three-fifths vote of each house of the General Assembly and any regulation adopted by an executive branch department to implement that law.

The proposed amendment to the Constitution is to be submitted to the voters of Maryland at the next general election to be held in November 1996.

The bill is applied prospectively.

Fiscal Summary

State Effect: Potential indeterminate increase in general fund expenditures. No effect on revenues.

Local Effect: Potential indeterminate effect on revenues and expenditures.

Fiscal Analysis

State Expenditures: The bill could have a potentially significant impact on expenditures if legislation or regulations are adopted that require additional local government spending and the State is required to provide funding. During the 1995 legislative session, 48 new mandates were enacted by the General Assembly. Of that number, four had a significant fiscal impact (\$100,000 or more) and 11 had a marginal fiscal impact (\$10,000 to \$99,999) on local jurisdictions. Depending upon the number of new mandates enacted by the General Assembly and the fiscal impact of the provision, the effect on expenditures could be significant.

The Maryland Constitution requires that proposed amendments to the Constitution be publicized in at least two newspapers in each county, if available, and in at least three newspapers in Baltimore City once a week for four weeks immediately preceding a general election. The costs associated with these requirements are borne by the State. The budget of the State Board of Elections for fiscal 1997 contains funding for publishing constitutional amendments.

Local Expenditures: The bill could have a potentially significant impact on local revenues if the State is required to appropriate money to cover any unfunded mandates or allows the local jurisdictions to provide their own revenue source.

If approved by the General Assembly, this constitutional amendment will be submitted to the voters at the 1996 general election. It should not require additional costs for the county election boards to administer the election.

Information Source(s): Department of Budget and Fiscal Planning, Maryland Municipal League, Department of Fiscal Services

Fiscal Note History: First Reader - March 13, 1996
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Analysis by: Lori Caldwell-Valentine
Reviewed by: John Rixey

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 841-3710
(301) 858-3710