

## Chapter 386

**(Senate Bill 164)**

AN ACT concerning

**Maryland Department of Health – Capital and Grant Programs – State Grants**

FOR the purpose of increasing the caps on the percentages of certain costs for the construction, acquisition, renovation, and equipping of community mental health facilities, addiction facilities, and developmental disabilities facilities for which State grants can be provided under the Community Mental Health, Addiction, and Developmental Disabilities Capital Program; increasing the caps on the percentages of certain costs for certain projects that may be covered by State grants under the Federally Qualified Health Centers Grant Program; making stylistic changes; and generally relating to the Community Mental Health, Addiction, and Developmental Disabilities Facilities Capital Program and the Federally Qualified Health Centers Grant Program.

BY repealing and reenacting, with amendments,  
 Article – Health – General  
 Section 24–604 and 24–1304  
 Annotated Code of Maryland  
 (2015 Replacement Volume and 2018 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
 That the Laws of Maryland read as follows:

**Article – Health – General**

24–604.

(a) The allocation and use of State funds under this subtitle are subject to the following terms and conditions.

(b) State funds may be used only for the construction, acquisition, renovation, and equipping of facilities including the reports, plans, specifications, site improvements, surveys, and other related programs.

(1) Any federal grant that is available for this purpose shall be applied first to the cost of construction, acquisition, renovation, or equipping of a facility.

(2) A State grant shall provide up to ~~[50 percent]~~ **75%** of the eligible cost remaining after the federal grant has been applied.

(3) For projects designated under federal regulations, State plans, or the departmental regulations as eligible for poverty area funding, State grants shall amount to

up to ~~[75 percent]~~ **90%** of the eligible cost remaining after the federal grant has been applied.

(4) For purposes of this subtitle, community development block grant funds shall be considered as local matching funds and may not be considered as federal grant funds.

(c) The amount of the State grant for any project shall be determined after consideration of all eligible applications, the total of unallocated State funds available at the time the application is received, and the priorities of area need as may be established by the Department.

(d) **(1)** No portion of the proceeds of a State grant may be used:

~~[(1)]~~ **(I)** For the furtherance of sectarian religious instruction; or

~~[(2)]~~ **(II)** In connection with the design, acquisition, or construction of any building used or to be used as a place of sectarian religious worship or instruction, or in connection with any program or department of divinity for any religious denomination.

**(2)** ~~[Upon]~~ **ON** the request of the Board of Public Works, the applicant shall submit evidence satisfactory to the Board that none of the proceeds of the grant have been or are being used for a purpose prohibited by this subtitle.

24–1304.

(a) The allocation and use of State funds under this subtitle are subject to the terms and conditions set forth in this section.

(b) State funds may only be used for the purposes listed under § 24–1302 of this subtitle and approved by the Secretary under § 24–1303 of this subtitle.

(c) The allocation and use of State funds under this subtitle are subject to the following terms and conditions:

(1) Any federal or other grant that is received for an eligible project shall be applied first to the cost of the project;

(2) Except as provided in subsection (d) of this section, a State grant may not exceed ~~[50%]~~ **75%** of the cost of eligible work remaining unpaid after all federal grants have been applied; and

(3) For purposes of this subtitle, community development block grant funds shall be considered as local matching funds and may not be considered as federal grant funds.

(d) For a project designated as eligible for poverty area funding under federal regulations, State plans, or departmental regulations, a State grant may cover up to **[75%]** **90%** of the cost of eligible work remaining unpaid after all federal grants have been applied.

(e) The amount of the State grant recommended to the Board of Public Works for any project shall be determined after consideration of:

(1) All eligible projects;

(2) The total of unallocated State funds available at the time the grant recommendation is made to the Board of Public Works; and

(3) The priorities of area need established by the Department.

(f) (1) No portion of the proceeds of a State grant may be used:

(i) To further sectarian religious instruction;

(ii) In connection with the design, acquisition, or construction of any building to be used as a place of sectarian religious worship or instruction; or

(iii) In connection with any program or department of divinity for any religious denomination.

(2) On the request of the Board of Public Works, the applicant shall submit evidence satisfactory to the Board that the proceeds of the grant are not being used for a purpose prohibited under this subsection or under applicable federal law.

(g) Beginning in fiscal year 2007 and continuing every fiscal year thereafter, the Governor shall include an appropriation in the State capital budget to be distributed and managed in accordance with this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2019.

**Approved by the Governor, May 13, 2019.**