

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 1374
Appropriations

(Delegate B. Barnes)

Budget and Taxation

Prior Authorizations of State Debt - Alterations

This bill (1) repeals matching fund certification requirements for legislative bond initiative grants authorized in the 2019 and 2020 capital budget bills and (2) makes various other modifications to authorizations of State debt in prior year capital budgets by extending matching fund deadlines, removing matching fund requirements, extending deadlines for expending or encumbering funds, renaming grant recipients, altering project locations, or altering the purpose for which funds may be used. In some cases, altering the purpose of grant funds merely adds greater specification for how the funds may be used; in other cases, grant funds may be reassigned to an entirely different purpose. **The bill takes effect June 1, 2021.**

Fiscal Summary

State Effect: The bill modifies the conditions under which State grant funds may be used. These changes do not materially affect State finances, as discussed below.

Local Effect: None, unless the grantee is a local government. To the extent that local government grantees are no longer subject to matching fund certification requirements, the disbursement of grant funds to these grantees may be accelerated.

Small Business Effect: None.

Analysis

Bill Summary: Several prior authorizations of State debt are consolidated into an omnibus bill. The types of modifications to prior authorizations of State debt that have been consolidated into the bill are shown in **Appendix 1**, by current project name, jurisdiction for the current project, and the year of the initial authorization. Appendix 1 does not,

however, include legislative bond initiative grants authorized in the 2019 and 2020 capital budget bills for which the bill repeals matching fund certification requirements, except for those grants that are otherwise modified by the bill.

Current Law: In general, a grantee must present evidence of a matching fund to the Board of Public Works within two years of the authorization for State debt. The matching fund must be certified prior to the grantee's expending or encumbering State funds. The 2019 and 2020 capital budget bills require that specified grantees provide evidence of matching funds by June 1, 2021, and June 1, 2022, respectively.

Chapter 153 of 2003 established a seven-year limitation on the authority to spend an appropriation for a capital expenditure and a seven-year limitation on the authorization for State debt unless otherwise provided in an enabling act. The Act applies to all debt authorized on or after June 1, 1997.

State Fiscal Effect: Under the bill's repeal of matching fund certification requirements for legislative bond initiative grants authorized in the 2019 and 2020 capital budget bills, the Department of General Services is responsible for directly handling disbursements for affected grants and likely must process grant approvals more quickly. However, it is assumed that the bill's changes can be handled with existing budgeted resources. The Comptroller's Office, on the other hand, likely benefits from operational efficiencies as a result of the bill's repeal of matching fund certification requirements.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Department of General Services; Board of Public Works; Department of Legislative Services

Fiscal Note History: First Reader - March 15, 2021
rh/ljm Third Reader - March 25, 2021
Enrolled - May 3, 2021
Revised - Amendment(s) - May 3, 2021

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Appendix 1 – Modifications to Prior Authorizations Consolidated into the Bill

<u>Current Project Name</u>	<u>Current Jurisdiction</u>	<u>Year of Initial Authorization</u>	<u>Change(s)</u>
Tactical Service Facility – Garage	Howard County	2008	Deadline ¹
Hamilton Street Parking	Prince George’s County	2012	Deadline ¹
Catonsville Clubhouse Renovations	Baltimore County	2013	Grantee Deadline ^{1,2}
Central Baltimore Partnership (2013)	Baltimore City	2013	Deadline ¹
Central Baltimore Partnership (2014)	Baltimore City	2014	Deadline ¹
Creative Alliance	Baltimore City	2014	Deadline ^{1,2}
Doctors Hospital	Prince George’s County	2014	Deadline ¹
MedStar Montgomery Medical Center	Montgomery County	2014	Deadline ¹
Camp Whippoorwill Living Shoreline Project	Statewide	2014	Purpose Deadline ^{1,2}
Towson High School Stadium (2014)	Baltimore County	2014	Deadline ^{1,2}
Rockville Science Center	Montgomery County	2014	Deadline ¹
Historic Tome School	Cecil County	2014	Deadline ^{1,2}
Cedar Lane Senior Living Community Project	St. Mary’s County	2014	Deadline ^{1,2}
Governor Thomas Johnson High School Stadium	Frederick County	2014	Deadline ¹
Program Open Space – Stateside – Prior Funds Replacement	Statewide	2014	Grantee
Community Action Council Food Bank Facility (2014)	Howard County	2014	Deadline ^{1,2}
The Writer’s Center	Montgomery County	2015	Removal of match ³ Deadline ¹
Community Action Council Food Bank Facility (2016)	Howard County	2016	Deadline ^{1,2}
James Mosher Baseball League Field Enhancement	Baltimore City	2016	Purpose Grantee Deadline ²

<u>Current Project Name</u>	<u>Current Jurisdiction</u>	<u>Year of Initial Authorization</u>	<u>Change(s)</u>
American Legion Post 381 Annex	Prince George's County	2016	Purpose Grantee
Robert W. Johnson Community Center	Washington County	2016	Removal of match ³
Friendsville Veterans Memorial	Garrett County	2016	Removal of match ³
Towson High School Stadium (2017)	Baltimore County	2017	Deadline ²
KID Museum – New Facility	Montgomery County	2019	Purpose
Girl Scouts Program Center Refresh	Prince George's County	2019	Location ⁴
East Baltimore Library	Baltimore City	2019	Purpose
Bay Sox Stadium	Prince George's County	2020	Purpose Grantee
Bladensburg Waterfront Dock	Prince George's County	2020	Purpose Grantee
Hands on Patterson Park Public	Baltimore City	2020	Purpose
Hagerstown Minor League Baseball Stadium	Washington County	2020	Grantee
Beacon Heights – East Pines Redevelopment	Prince George's County	2020	Purpose
Lakeshore Volunteer Fire Department	Anne Arundel County	2020	Purpose
Blight Reduction and Home Ownership Initiative	Baltimore City	2020	Purpose
Harlem Park Community Center	Baltimore City	2020	Grantee Removal of Match ³
Central Baltimore Partnership	Baltimore City	2020	Purpose Removal of Match ³

¹ Extends the deadline to expend or encumber funds.

² Extends the deadline to present evidence that a matching fund will be provided.

³ Removes the requirement that the grantee raise matching funds; makes technical changes to certification requirements as appropriate.

⁴ Alters the location of the project to be within Baltimore City.

Note: This appendix does not reflect the many grants affected by the bill's blanket repeal, in the 2019 and 2020 capital budget bills, of the requirements for grantees to present evidence of any matching fund (as may be required) or to receive certification of the matching fund before the grant proceeds may be expended for the purposes specified in the project. However, two of the 2020 projects are specifically modified to remove the matching fund requirement altogether.