

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 1226 (Delegate Pitkin. *et al.*)

Appropriations

Department of Health and Mental Hygiene - Assisted Living Facilities Grant
Program

This bill creates the Assisted Living Facilities Grant Program, and authorizes the Board of Public Works (BPW), on the recommendation of the Secretary of the Department of Health and Mental Hygiene (DHMH), to make grants to counties, municipal corporations, and nonprofit organizations for assisted living facilities.

The bill is effective July 1, 2000.

Fiscal Summary

State Effect: Increase in general fund expenditures, depending on the number and type of grants made.

Local Effect: Increase in revenues if local governments are recipients of grants.

Small Business Effect: None. Some small nonprofit operators of assisted living facilities may benefit if they receive grants.

Analysis

Bill Summary: The bill creates the Assisted Living Facility Grant Program. Any county, municipal corporation, or nonprofit organization may apply for a grant and submit a project and plan to the Secretary of DHMH. The Secretary will report the application, along with a recommendation on the grant, to the BPW.

The BPW may make grants for: (1) conversion of parts or all of public buildings to an assisted living facility; (2) acquisition of parts or all of existing buildings for use as an assisted living facility; (3) renovation of an assisted living facility; (4) purchase of capital equipment for an assisted living facility; and (5) planning, design, and construction of an assisted living facility.

Funds are made available for acquiring existing buildings and the planning, design, and construction of new facilities if a local government and DHMH certify to the BPW that a surplus public building appropriate for use as an assisted living facility is not available.

Any federal or other grants must be applied first to the project costs, and then, of the balance, State funds are generally limited to 50%. However, under certain circumstances the State share may exceed 50%, and for projects eligible for poverty area funding, the State share can be 75%.

No part of the State funds can be used to further religious instruction; planning, design, or construction of a place of worship; or support of a program of any religious denomination.

The bill makes provisions for recovery of State funds if, within 30 years of project completion, the property: (1) is transferred to a person, agency, or organization that would not have qualified for a grant; or (2) ceases to be an assisted living facility operated by a county, municipal corporation, or nonprofit organization. Any funds recovered through the right of recovery are to be applied to the annuity bond fund and be applied to the debt service requirements of the State.

The BPW must make allocations for the grants from available funds and adopt regulations to implement the program.

Current Law: None applicable.

State Fiscal Effect: According to DHMH, there are 2,500 assisted living facilities in the State. This figure includes those owned and operated by for-profit entities, nonprofit organizations, counties, and municipal corporations. The extent to which the bill will increase the number of assisted living facilities owned and operated by counties, municipal corporations, and nonprofit organizations is unknown.

The impact on general fund expenditures would depend upon the number, type, purpose, and amount of the grants made by the State. At this time the number of applicants for grants and the extent to which there are surplus public buildings cannot be reliably estimated.

Local Fiscal Effect: If local governments are recipients of grants, they would have additional revenues. However, because the State grants are not for 100% of the costs, the local governments may have additional expenditures. According to Baltimore City, there are currently 25 licensed assisted living facilities in the city. This figure includes those owned and operated by for-profit entities, nonprofit organizations, counties, and municipal corporations.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Prince George's County, Allegany County, Montgomery County, Baltimore City, Judiciary (Administrative Office of the Courts)

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