

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

House Bill 924 (Delegate Kopp)
Appropriations

State's Right of Recovery - Grant Programs - Local Government Exemptions

This bill exempts local governments from the State's right of recovery provision for capital grants issued under the Senior Citizen Activities Centers Capital Improvement Grants Program; the Juvenile Justice Facilities Capital Program; the Community Mental Health, Addiction, and Developmental Disabilities Facilities Capital Program; and the Adult Day Care Centers Program.

Fiscal Summary

State Effect: Excluding local governments from repaying the State for capital grants issued for certain community facilities that had a change in use from the intended purpose of the grant award would not significantly affect State revenues. According to the Department of Budget and Management, the State seldom collects any funds from the right of recovery provision.

Local Effect: Minimal.

Small Business Effect: None.

Analysis

Current Law: The State's right of recovery provision enables the State to recover funds disbursed to a grant recipient for certain capital projects and all the costs and reasonable legal fees incurred during the recovery proceedings if the recipient fails to complete the project or fails to commence operation of a facility. The funds may be recovered from either the grant recipient or owner of the property on which the project or facility is located. In addition, the right of recovery provision enables the State to recover certain

funds if, within 30 years of the completion of the project, the use of a community facility constructed or renovated with State funds changes and ceases to qualify as an approved facility. In many cases, local governments own the property on which the community facilities are located and thereby could be required to repay the State for certain capital funds issued to community organizations.

Background: This bill would affect the State's right of recovery provision for four capital programs: the Senior Citizen Activities Centers Capital Improvement Grants Program; the Juvenile Justice Facilities Capital Program; the Community Mental Health, Addiction, and Developmental Disabilities Facilities Capital Program; and the Adult Day Care Centers Program.

Senior Citizen Activities Centers Capital Improvement Grants Program

This program provides grants to local government agencies to construct new senior centers or convert existing public or private buildings into senior centers. Funds may also be used to renovate or improve existing senior centers, to develop facilities master plans for senior centers in local jurisdictions, and to equip senior centers. State funds must be matched by non-State funds on a dollar-for-dollar basis, with a maximum State grant amount of \$600,000. For the six-year period from fiscal 1996 to 2001, the Maryland Department of Aging provided funds to assist in the construction or renovation of 15 senior citizen activities centers in 11 jurisdictions.

Juvenile Justice Facilities Capital Program

This program assists in the acquisition, design, construction, and equipping of residential and nonresidential facilities that provide services for youth from the age of 11 to 18. Projects include community residential facilities and nonresidential facilities that contribute to the treatment, control, and prevention of delinquency, and provide an alternative to commitment. The State may fund up to 50% of the cost of each project.

Community Mental Health, Addiction, and Developmental Disabilities Facilities Capital Program

This program assists in the acquisition, construction, renovation, and equipping of facilities to provide mental health, development disabilities, and drug and alcohol abuse treatment services. The program is considered essential to facilitate the deinstitutionalization of the mentally ill and developmentally disabled by assisting in the funding of residential facilities within the community. It also seeks to develop community resources to prevent institutionalization of the addicted. The State may fund up to 75% of the cost of each project.

Adult Day Care Centers Program

These centers provide health and social services to individuals who are elderly, medically disabled, and victims of Alzheimer's disease and related disorders. In order to be eligible for State funding, the majority of clients must meet poverty eligibility requirements. Counties, municipalities, or nonprofit organizations may operate the centers. The State may provide up to 75% of the funding for these centers.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Montgomery County, Department of Budget and Management, Caroline County, Carroll County, City of College Park, Department of Legislative Services

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jm/jr

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