

Department of Legislative Services
 Maryland General Assembly
 2002 Session

FISCAL NOTE

House Bill 852 (Delegate Marriott)(Baltimore City Administration)
 Commerce and Government Matters and Appropriations

Public Safety - State Public Safety Aid Program

This bill establishes a State public safety aid program that provides grants to counties that spend over 0.25% of their local wealth base on public safety expenditures. State funding for the program is phased-in over five years beginning in fiscal 2004.

Fiscal Summary

State Effect: General fund expenditures could increase by \$24.9 million in FY 2004 and by \$124.4 million in FY 2008. Future year expenditures reflect the continual phase-in of the public safety grants. Revenues would not be affected.

(\$ in millions)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	24.9	49.8	74.5	99.4
Net Effect	\$0	(\$24.9)	(\$49.8)	(\$74.5)	(\$99.4)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: State aid to six jurisdictions could increase by \$24.9 million in FY 2004 and by \$124.4 million in FY 2008.

Small Business Effect: None.

Analysis

Bill Summary: A public safety grant is provided to a county with eligible public safety expenditures greater than 0.25% of the local wealth base. The grants cannot exceed 15% of a county's eligible public safety expenditures. Eligible public safety expenditures

include a county's operating expenses for police, fire, and correctional services in the second prior year that are not reimbursed by the State. Local wealth base includes net taxable income, 100% of the assessed valuation of real property, 100% of the assessed valuation of utility operating real and personal property, and 100% of the assessed valuation of railroad operating real property. The assessed valuation of railroad personal property and business personal property is excluded from the local wealth base. The public safety grants are phased-in over five years beginning in fiscal 2004.

Current Law: The State provides several grants to local governments for public safety services including: the State Aid for Police Protection Fund, and the Senator William H. Amoss Fire, Rescue, and Ambulance Fund.

Background: Local public safety expenditures for police, fire, and correctional services totaled \$1.36 billion in fiscal 2000. In addition, State expenditures for operating the Baltimore City Detention Center and Central Booking Facility totaled \$76.2 million. State public safety aid will total \$86 million in fiscal 2003 representing about 6% of total local public safety expenditures. **Exhibit 1** shows the amount of State public safety aid to local governments by program from fiscal 2000 to 2003.

Exhibit 1
State Public Safety Aid by Program
(\$ in Millions)

<u>Program</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Police Aid	\$58.9	\$59.7	\$60.4	\$62.1
Fire Aid	10.0	10.0	10.0	10.0
Baltimore City Grants	7.3	7.3	7.3	7.3
Prince George's County Grants	4.2	4.2	4.2	4.2
STOP Gun Violence Grant	0	0	1.0	1.0
Vehicle Theft	2.3	2.6	0.9	0.6
Foreign Vehicle Registration	0.2	0.2	0.4	0.4
Domestic Violence	0.0	0.2	0.2	0.2
Other Grants*	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
Total	\$83.0	\$84.3	\$84.5	\$85.9

*Does not include 911 grants.

State and Local Fiscal Effect: Six jurisdictions would be eligible to receive a grant under the proposed public safety aid program. Based on local public safety expenditures in fiscal 2000, county assessable base in fiscal 2002, and net taxable income in calendar 2000, public safety grants would total approximately \$125 million. Since the public

safety grants are phased-in over five-years, State expenditures would increase by approximately \$25 million in fiscal 2004. **Exhibit 2** shows the projected State funding increase due to the formula provision. **Exhibit 3** shows the calculation for the proposed State public safety aid program.

Exhibit 2
Projected Cost of Proposed State Public Safety Aid Program
(\$ in Millions)

<u>County</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Anne Arundel	\$3.1	\$6.2	\$9.3	\$12.4	\$15.6
Baltimore City	9.3	18.7	28.0	37.4	46.7
Baltimore	5.5	11.0	16.4	21.9	27.4
Charles	1.0	1.9	2.9	3.8	4.8
Prince George's	5.6	11.2	16.7	22.3	27.9
Wicomico	<u>0.4</u>	<u>0.8</u>	<u>1.2</u>	<u>1.6</u>	<u>2.0</u>
Total	\$24.9	\$49.8	\$74.5	\$99.4	\$124.4

Additional Information

Prior Introductions: None.

Cross File: SB 524 (Senator McFadden) (Baltimore City Administration) – Budget and Taxation.

Information Source(s): Department of Assessments and Taxation, Department of Budget and Management, Department of Legislative Services

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