

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

Senate Bill 147 (Chair, Education, Health, and Environmental Affairs Committee)
 (By Request – Departmental – Archives, Maryland State)

Education, Health, and Environmental Affairs Health and Government Operations

State Archives - Records and Other Services - Fees

This departmental bill specifically authorizes the State Archivist to establish fees for the care and preservation of records and other services provided by the Archives. Fees accrue to the State Archives Fund, with 7% designated for the fund's Archives Endowment Account. Fees levied under the bill may be assessed as a flat rate charge or as a percentage not to exceed 2% of an existing fee charged at the time of the creation of a record.

Fiscal Summary

State Effect: Potential minimal increase in State revenues and expenditures if fees are extended to additional services or publications.

Local Effect: None.

Small Business Effect: The Maryland State Archives has determined that the bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: The State Archives is charged with collecting public and private records relating to the history of the State of Maryland. The Archives is also the central depository and custodian of each deed, title insurance policy, and other real property record in the State.

The State Archives' operating funds are drawn in part from the Consolidated Publications Account, which accrues revenues from publications, issuance of land patents, and other services of the Archives. Funds from the account are dedicated to the production, distribution, and promotion of Archives' publications, excluding the Maryland Manual.

Proceeds from sale of the series the *Archives of Maryland*, as well as other public and private contributions, are held in the State Archives Fund. Money credited to the fund is used to prepare and publish volumes of the series and disseminate other archival materials. The Archives Endowment Account, consisting of designated public grants and private contributions, is held as a subsidiary account. Earnings from the account may be used for biographical and historical research or educational outreach. All expenditures from the fund must be appropriated through the annual State budget; the endowment's principal may not be expended without prior approval from the Hall of Records Commission.

Background: A December 2007 audit of the State Archives by the Office of Legislative Audits found that Archives had improperly billed the Judiciary on two land records information system projects. The Archives had assessed a 7% Entrepreneurial and Educational Reserve service fee that was not included in the agencies' memorandum of understanding (MOU). The fee, computed as a percentage of direct and indirect costs, was credited to the Archives Endowment Account.

In its response to the audit, the State Archives claimed that the MOU had recognized the land records project as an extension of the *Archives of Maryland* online series; as a result, the Archives had assessed the Judiciary an overhead rate that appropriately included indirect costs as well as the Educational and Entrepreneurial Reserve service fee designated for the Archives Endowment Account.

The Governor's proposed fiscal 2009 budget for the Archives is \$10.1 million, the majority of which is drawn from the Consolidated Publications Account. The proposed fiscal 2009 budget does not include appropriations from the Archives Endowment Account.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Archives, Department of Legislative Services

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Analysis by: Suzanne O. Potts

Direct Inquiries to:
(410) 946-5510
(301) 970-5510