

Department of Legislative Services
 Maryland General Assembly
 2022 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

Senate Bill 574

(Senator Klausmeier)

Budget and Taxation

Health and Government Operations

Organ and Tissue Donation Awareness Fund - Annual Funding and Extension

This bill eliminates the required \$400,000 distribution for fiscal 2023 and instead requires that, beginning in fiscal 2024, at least \$500,000 be distributed annually from the Organ and Tissue Donation Awareness Fund to the nonprofit entity selected by the Secretary of Health to establish, maintain, and operate a donor registry. In addition, for fiscal 2024 through 2027, the Governor must include in the annual budget bill an appropriation to the fund in an amount equal to the difference between the funds collected from specified donations in the second immediately preceding fiscal year and \$500,000. The bill also delays the termination date for the mandated distribution, thereby requiring distributions for four additional years. **The bill takes effect July 1, 2022, and terminates September 30, 2027.**

Fiscal Summary

State Effect: Special fund expenditures of \$400,000 in FY 2023 are not incurred but are assumed to be replaced by general fund expenditures, as discussed below. General fund expenditures increase by approximately \$380,000 annually from FY 2024 through 2027 from the mandated appropriation; special fund revenues increase by a corresponding amount. Special fund expenditures increase by \$500,000 in FY 2024 through 2027 for the mandated distribution. **This bill modifies a mandated distribution beginning in FY 2023. This bill establishes a mandated appropriation for FY 2024 through 2027.**

(in dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
SF Revenue	\$0	\$380,000	\$380,000	\$380,000	\$380,000
GF Expenditure	\$400,000	\$380,000	\$380,000	\$380,000	\$380,000
SF Expenditure	(\$400,000)	\$500,000	\$500,000	\$500,000	\$500,000
Net Effect	\$0	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Secretary must contract with a qualified nonprofit entity for the establishment, maintenance, and operation of a donor registry. “Qualified nonprofit entity” means a nonprofit procurement organization that actively functions in a supporting relationship to one or more procurement organizations if the procurement organization or other entity has a board of directors whose members are experienced in (1) organ, tissue, and eye donation; (2) working with donors and donor families; and (3) educating the public about the importance of the process of organ, tissue, and eye donation.

The Secretary must use funds from the Organ and Tissue Donation Awareness Fund, or any other funds as may be appropriate, to *compensate* the nonprofit entity for the reasonable cost of establishing, maintaining, and operating the donor registry, including the reasonable cost of public education programs to increase public awareness about the existence and purpose of the registry and organ, tissue, and eye donation.

Currently, at least \$400,000 must be distributed annually from the fund to the specified nonprofit entity. Unused funds distributed to the nonprofit entity must revert to the fund at the end of each fiscal year. The current mandated distribution terminates at the end of September 30, 2023.

State Fiscal Effect: The Maryland Department of Health advises that the Organ and Tissue Donation Awareness Fund is supported through optional \$1 donations at the time of issuing or renewing a Maryland driver’s license. The fund received revenues of approximately \$120,000 annually in fiscal 2019 through 2021. The fund is projected to be depleted in the first quarter of fiscal 2023, resulting in a projected deficit of \$280,000 by the end of fiscal 2023.

However, as the bill eliminates, for fiscal 2023, the required distribution of \$400,000, the fund will instead have a balance of approximately \$120,000. This analysis assumes that the nonprofit entity will instead need to be paid with general funds. The analysis further assumes, despite the projections, that special fund expenditures of \$400,000 would have been incurred in fiscal 2023 absent the bill. To the extent sufficient funding were not available, general fund expenditures could have been needed to make up the difference.

As collections are assumed to continue at approximately \$120,000 a year, from fiscal 2024 through 2027, general fund expenditures increase by approximately \$380,000 (the difference between the projected \$120,000 in collections, as specified, and \$500,000) to reflect the mandated appropriation. Special fund revenues increase correspondingly. Special fund expenditures increase by \$500,000 in fiscal 2024 through 2027, reflecting the mandated distribution which would otherwise not be required in those years.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Department of Health; Department of Legislative Services

Fiscal Note History: First Reader - February 21, 2022
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Revised - Amendment(s) - March 31, 2022
Revised - Clarification - March 31, 2022
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