

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 847

(Senator Edwards, *et al.*)

Budget and Taxation

Appropriations

Libraries – Capital Projects – State Share Adjustments

This bill increases the State share for a county library capital project under certain circumstances. Under the bill, a county is eligible for an adjustment to the State share for a library capital project if (1) the county's median household income is in the bottom quartile in the State and (2) the State share for a library capital project in the county is 50%. For a county that meets these criteria, the local share of a county library capital project must be reduced to equal the local share of the adjacent county that is less than 50% (but closest to 50%). The State share in the affected county must subsequently be increased by the same amount (*i.e.*, to offset the decrease in the local share percentage). **The bill takes effect July 1, 2022, and terminates June 30, 2025.**

Fiscal Summary

State Effect: No effect on total State funding for library capital projects, which is established in statute at \$7.5 million annually. Any increase in the State share of individual library capital projects results in fewer funds being available for other library construction projects; therefore, fewer projects may receive funding in a given year. The magnitude of any decrease in the number of library capital projects is not expected to be sufficient to affect staffing or resources needed for the Maryland State Library Agency (MSLA). Revenues are not affected. The bill has no effect on the State share of any library projects after FY 2025.

Local Effect: Local revenues for library capital projects increase in any jurisdictions that meet the bill's criteria and obtain project approval under the existing application process. However, total expenditures for capital projects are not affected, as discussed below. The bill has no effect on local capital projects after FY 2025.

Small Business Effect: Minimal.

Analysis

Current Law: State funding for county library capital projects is mandated at \$7.5 million annually. State grants may not exceed the eligible capital cost of the project, with a minimum State share of 50% and a maximum State share of 90% based on taxable wealth per capita. If requests for State funding exceed \$7.5 million, awards may be reduced to reflect geographic diversity in the allocation of grant funds. The fiscal 2023 capital budget provides \$7.5 million for six projects, with \$7.5 million annually projected for the program in fiscal 2023 through 2027.

Local Fiscal Effect: MSLA advises that Garrett County is the only county in the State library system that meets the bill's criteria and the only that, because of the matching requirements, has not been able to obtain funding under the library capital grant program. Under the bill, Garrett County is able to use the local match for Allegany County (which is 10%), thereby lowering its matching requirement. Although Garrett County is the only county that is currently affected by the bill's modifications, to the extent other counties meet the criteria established by the bill in the future, the State match rate may also be increased in those jurisdictions for library capital projects.

Because the library capital project grant program requires matching funds (from any combination of county, municipal, or private sources), Garrett County may be required to allocate a portion of its available capital funds to match the additional capital funds received under the bill. However, this does not affect total capital spending by Garrett County; to the extent that available capital funds are used for library construction or renovation, those funds are not available for other capital construction needs in the county.

As the bill terminates June 30, 2025, there is no effect on local finances after fiscal 2025.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 1249 (Delegate Beitzel, *et al.*) - Appropriations.

Information Source(s): Howard, Montgomery, and Prince George's counties; Maryland State Library Agency; Department of Legislative Services

Fiscal Note History:
km/mcr

First Reader - March 9, 2022
Third Reader - March 22, 2022
Enrolled - May 6, 2022
Revised - Amendment(s) - May 6, 2022

Analysis by: Eric F. Pierce

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