

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 49 (Delegate Amprey)
 Health and Government Operations

Economic Justice and Racial Reconciliation Act

This bill establishes the Commission for Economic Justice and Racial Reconciliation. Among other tasks, the commission must (1) study and determine the impact that historical laws and systems had on exacerbating the racial disparity of resources and wealth in the State’s African American communities and (2) make specified recommendations regarding appropriate compensation for the racial disparities it identifies. The Office of the Comptroller must provide staff for the commission. By October 1, 2025, the commission must submit a final report of its findings and recommendations to the Governor and the General Assembly. **The bill takes effect July 1, 2023, and terminates December 31, 2025.**

Fiscal Summary

State Effect: General fund expenditures increase by \$238,400 in FY 2024. Future years reflect annualization, the elimination of one-time programming costs, and the termination of contractual positions in fiscal 2026. Revenues are not affected.

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	238,400	184,100	96,100	0	0
Net Effect	(\$238,400)	(\$184,100)	(\$96,100)	\$0	\$0

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The commission must (1) study historical laws and systems in place in the State from the Reconstruction Era through the enactment of the federal Civil Rights Act of 1964 relating to taxation (and other tax matters) to determine the impact the laws and systems had on exacerbating the racial disparity of resources and wealth in the State's African American communities; (2) determine a monetary amount, including interest, that is appropriate to compensate the State's African American communities for the racial disparities identified by the commission; (3) study possible sources of State funding that could contribute a determined amount to a special reparations fund; and (4) make recommendations for future legislation needed to establish and oversee a special fund to appropriately compensate African American communities in the State for racial disparities identified by the commission.

The President of the Senate and the Speaker of the House must each designate a co-chair from among the members appointed, respectively, from the Senate and the House of Delegates. Members of the commission may not receive compensation but are entitled to reimbursement for expenses under the standard State travel regulations, as provided in the State budget.

Beginning October 1, 2023, the commission must submit quarterly status reports on its work to the General Assembly. By October 1, 2024, the commission must submit an interim report of its findings and recommendations to the Governor and the General Assembly; a final report is due by October 1, 2025.

Current Law: State law seeks in various ways to protect against discrimination based on race, color, religion or creed, sex, age, ancestry or national origin, marital status, physical or mental disability, sexual orientation, and gender identity. For example, the mission of the Maryland Commission on Civil Rights is to (1) ensure opportunity for all through the enforcement of Maryland's laws against discrimination in employment, housing, public accommodations, and State contracts; (2) provide educational outreach services; and (3) promote and improve civil rights in Maryland.

State Expenditures: The Comptroller advises that it has no policy staff that specialize in the fields of study required by the bill and, therefore, requires additional analysts with necessary skills to staff the commission. The Comptroller further advises that, given the historical data that will be a key focus of the commission's work, an archivist is required, along with \$40,000 in one-time programming costs to build an electronic database with relevant historical data (provided relevant historic data exists and can be found).

Accordingly, general fund expenditures increase by \$238,355 in fiscal 2024, which accounts for a 30-day start-up delay from the bill's July 1, 2023 effective date. This

estimate reflects the cost of hiring two full-time contractual analysts with the historical, sociological, and economic expertise to staff the commission, and the cost to hire one full-time contractual archivist. It includes salaries, fringe benefits, one-time start-up costs, one-time programming costs, and ongoing operating expenses.

Contractual Positions	3.0
Salaries and Fringe Benefits	\$175,587
Computer Programming	40,000
Operating Expenses	<u>22,768</u>
Total FY 2024 State Expenditures	\$238,355

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses. The contractual positions, which are assumed to be needed for the duration of the commission, terminate at the end of calendar 2025.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

Any expense reimbursements for commission members are assumed to be minimal and absorbable within existing budgeted resources.

Additional Information

Prior Introductions: Similar legislation has been introduced within the last three years. See HB 159 of 2022.

Designated Cross File: None.

Information Source(s): Maryland Commission on Civil Rights; Comptroller’s Office; Department of Legislative Services

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