

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 773

(Delegate D. Jones, *et al.*)

Environment and Transportation

Education, Energy, and the Environment and
 Budget and Taxation

**Human Services - Individuals With Disabilities and Service-Disabled Veterans
 Boating Fund**

This bill establishes the Individuals with Disabilities and Service-Disabled Veterans Boating Fund to provide sailing, boating, kayaking, canoeing, paddleboarding, and surfing opportunities for “individuals with disabilities” and “service-disabled veterans.” The Maryland Department of Disabilities (MDOD) must administer the fund. MDOD may use the fund for administrative expenses and to provide a grant of up to \$40,000 in a fiscal year to a grantee to provide specified boating opportunities for individuals with disabilities or service-disabled veterans. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: General fund expenditures increase by *at least* \$47,000 in FY 2025 to capitalize the fund to cover anticipated administrative costs only; special fund revenues and expenditures increase accordingly. Future years reflect annualization and ongoing costs. General fund expenditures (and special fund revenues and expenditures) increase by an additional indeterminate amount beginning as early as FY 2025 to provide grants to nonprofit organizations (not quantified below).

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
SF Revenue	\$47,000	\$52,900	\$55,300	\$57,800	\$60,300
GF Expenditure	\$47,000	\$52,900	\$55,300	\$57,800	\$60,300
SF Expenditure	\$47,000	\$52,900	\$55,300	\$57,800	\$60,300
Net Effect	(\$47,000)	(\$52,900)	(\$55,300)	(\$57,800)	(\$60,300)

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

Local Effect: The bill is not anticipated to affect local government finances or operations.

Small Business Effect: None.

Analysis

Bill Summary: “Individuals with disabilities” means individuals considered disabled in accordance with the federal Americans with Disabilities Act, including individuals with learning disabilities. “Serviced-disabled veteran” means a veteran with a disability that is service-connected as defined in federal law.

The fund is a special, nonlapsing fund that consists of money appropriated in the State budget to the fund and any other money from any other source accepted for the benefit of the fund. Interest accrues to the general fund.

MDOD may only provide grants to a nonprofit organization in good standing that:

- is qualified under § 501(c)(3) of the Internal Revenue Code;
- has been in operation for at least three years, notwithstanding a cessation of operations during a national or public health emergency, as specified; and
- has engaged individuals with disabilities or service-disabled veterans in sailing, boating, kayaking, canoeing, paddleboarding, or surfing activities on State waters at least 25 times in each of the past three years.

Current Law: Under the federal Americans with Disabilities Act, “disability” means, with respect to an individual (1) a physical or mental impairment that substantially limits one or more major life activities of such individual; (2) a record of such an impairment; or (3) being regarded as having such an actual or perceived physical or mental impairment whether or not the impairment limits or is perceived to limit a major life activity.

Pursuant to 38 U.S.C. § 101(16), “service-connected” means, with respect to disability, that such disability was incurred or aggravated, in line of duty in the active military, naval, air, or space service.

State Fiscal Effect: The bill authorizes MDOD to use the Individuals with Disabilities and Service-Disabled Veterans Boating Fund for administrative costs and to provide a grant of up to \$40,000 in a fiscal year to a nonprofit organization in good standing to provide specified boating opportunities for individuals with disabilities or service-disabled veterans.

Administrative Costs

Although the number of potential nonprofit organizations eligible to receive a grant under the bill is unknown, MDOD advises that additional staff is required to administer the fund. Therefore, general fund expenditures increase by *at least* \$47,018 in fiscal 2025, which

accounts for a 90-day start-up delay from the bill’s July 1, 2024 effective date. This estimate reflects the cost of hiring one part-time grants coordinator to manage the fund and administer grants to specified nonprofit organizations. The estimate includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	0.5
Salary and Fringe Benefits	\$40,166
Operating Expenses	<u>6,852</u>
Total FY 2025 State Expenditures	\$47,018

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses. This analysis assumes that general funds are provided to the new special fund and expended as special funds to cover these costs.

Grants to Nonprofit Organizations

General fund expenditures (and special fund revenues and expenditures) further increase by an indeterminate amount beginning as early as fiscal 2025 to provide grants to nonprofit organizations. The maximum annual grant per eligible nonprofit organization is \$40,000. *For illustrative purposes only*, if five grants are provided, expenditures increase by up to an additional \$200,000 annually. If 10 grants are provided, expenditures increase by up to an additional \$400,000 annually.

Special fund revenues to the fund further increase by an indeterminate amount beginning as early as fiscal 2025 to the extent the fund receives any other money from any other source accepted for the benefit of the fund. Special fund expenditures likely increase accordingly.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 597 (Senator Guzzone) - Education, Energy, and the Environment and Budget and Taxation.

Information Source(s): Department of Budget and Management; Maryland Department of Disabilities; Department of Natural Resources; Department of Veterans Affairs; Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2024
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