Department of Legislative Services

Maryland General Assembly 2024 Session

FISCAL AND POLICY NOTE First Reader

House Bill 1095 Appropriations (Delegates Vogel and Foley)

Economic Development – Local Journalism Sustainability Grant Program

This bill establishes a Local Journalism Sustainability Grant Program within the Department of Commerce to increase advertising in local newspapers and support local journalism. By September 15 annually, a small business (defined as a business with fewer than 50 employees) may apply to Commerce for a grant for up to \$1,000 of costs paid or incurred during the calendar year to place an advertisement in a local newspaper. Commerce may approve up to \$25,000 in grants annually; for each fiscal year, the Governor must include in the annual budget bill an appropriation of at least \$25,000 for the program. By December 31, 2026, and each December 31 thereafter, Commerce must report to the Governor and the General Assembly on grants awarded under the program. **The bill takes effect June 1, 2024.**

Fiscal Summary

State Effect: No effect in FY 2024. General fund expenditures increase by \$25,000 annually beginning in FY 2025; however, FY 2025 funding is discretionary. Revenues are not affected. **This bill establishes a mandated appropriation beginning in FY 2026.**

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	25,000	25,000	25,000	25,000	25,000
Net Effect	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)

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

Local Effect: None.

Small Business Effect: Minimal overall, but potential meaningful for a small business that receives a grant under the bill.

Analysis

Current Law: State law does not provide for a grant or similar incentive program to increase advertising in local newspapers, as contemplated under the bill. For information regarding economic development programs administered by Commerce, see "Chapter 13. Economic Development and Business Regulation" of <u>Volume II – Government Services in Maryland</u> of the 2022 Legislative Handbook Series.

State Expenditures: General fund expenditures for Commerce increase by \$25,000 annually beginning in fiscal 2025, reflecting assumed discretionary funding in fiscal 2025 and the bill's mandated appropriation beginning in fiscal 2026. Given the size of the program, Commerce can administer the grant program with existing budgeted resources.

Additional Information

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

Designated Cross File: None.

Information Source(s): Department of Commerce; Department of Budget and

Management; Department of Legislative Services

Fiscal Note History: First Reader - March 6, 2024

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