

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1066 (Delegate Henson)
 Appropriations

African American Heritage Preservation Grant Fund - Alterations

This bill authorizes the allocation of up to 30% of the money in the African American Heritage Preservation (AAHP) Grant Fund in any year for grants to African American heritage organizations to fund the organizations’ operations and activities. The bill requires that the fund be jointly administered by the Maryland Commission on African American History and Culture (MCAAHC) and the Maryland Historical Trust (MHT) and establishes that MCAAHC has the sole authority to award a grant from the AAHP Grant Fund to an African American heritage organization to fund the organization’s operations and activities.

Fiscal Summary

State Effect: General fund expenditures increase by up to \$1.1 million in FY 2025, and by up to \$1.5 million annually thereafter. General obligation (GO) bond expenditures under the AAHP Program decrease correspondingly. Revenues are not affected.

(\$ in millions)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	1.1	1.5	1.5	1.5	1.5
Bond Exp.	(1.1)	(1.5)	(1.5)	(1.5)	(1.5)
Net Effect	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

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

Local Effect: The bill does not materially affect local government finances.

Small Business Effect: Minimal.

Analysis

Current Law: There is an AAHP Program and an AAHP Grant Fund (used for grants under the program) in MHT. The program has the purpose of identifying and preserving buildings, communities, and sites of historical and cultural importance to the African American experience in the State. The program is administered by MHT in partnership with MCAAHC. Each fiscal year, the Governor is required to include in the annual operating or capital budget an appropriation of \$5.0 million to the AAHP Grant Fund. Individuals, business entities, nonprofit organizations, and political subdivisions may submit an application for a grant under the program.

MHT and MCAAHC review grant applications and make grant recommendations to the Secretary of Planning for a final decision. The Secretary may award a grant under the program only for an AAHP Project. “AAHP Project” means a capital project that (1) preserves buildings, communities, and sites of historical and cultural importance to the African American experience in the State and (2) is for the acquisition of land or buildings or the construction or improvement of land or buildings.

State Fiscal Effect: General fund expenditures increase by up to \$1,125,000 in fiscal 2025, which accounts for the bill’s October 1, 2024 effective date, and by up to \$1.5 million annually thereafter, in order to allocate up to 30% of the \$5.0 million annual mandated appropriation to the AAHP Grant Fund to African American heritage organizations for the organizations’ operating expenditures. GO bond expenditures (which can only be used for capital projects/purposes) under the program decrease correspondingly – since the amount of the \$5 million mandated appropriation that is allocated to capital projects is reduced – allowing for GO bond funding to instead be allocated to other State capital spending.

This analysis assumes that (1) the overall level of funding for the AAHP Grant Fund (\$5.0 million annually) does not change as a result of the bill and (2) GO bond funding is used to fund the program in the absence of the bill, consistent with the fiscal 2025 *Capital Improvement Program*, which includes \$5.0 million in GO bond funding for the program annually from fiscal 2025 through 2029.

MCAAHC can administer the grants to African American heritage organizations for the organizations’ operations and activities with existing resources. MHT indicates that it may need to hire an additional administrator to handle additional responsibilities associated with the grants for operations and activities, since, under the bill, despite MCAAHC having sole authority to award the grants for operations and activities, both MCAAHC and MHT are still responsible for reviewing grant applications and jointly administering the fund. The Department of Legislative Services advises, however, that depending on the allocation of the work associated with those responsibilities, between MCAAHC and MHT, MHT may

be able to handle those responsibilities with existing resources; therefore, any additional costs MHT may incur are not accounted for in this estimate.

Additional Information

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

Designated Cross File: SB 977 (Senator Jackson) - Budget and Taxation.

Information Source(s): Maryland Commission on African American History and Culture; Maryland Department of Planning; Board of Public Works; Department of Legislative Services

Fiscal Note History: First Reader - March 5, 2024
km/sdk

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