

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 597

(Senator Guzzone)

Education, Energy, and the Environment and
 Budget and Taxation

Environment and Transportation

**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.” Beginning in fiscal 2026, the Governor may include in the annual budget bill an appropriation of \$500,000 to the fund for the purpose of making grants. 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: No effect in FY 2025. General fund expenditures increase by \$500,000 annually beginning in FY 2026 to reflect discretionary funding, as discussed below. Special fund revenues increase accordingly. Special fund expenditures increase by as much as \$500,000 annually beginning in FY 2026 for grants and to administer the fund.

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
SF Revenue	\$0	\$500,000	\$500,000	\$500,000	\$500,000
GF Expenditure	\$0	\$500,000	\$500,000	\$500,000	\$500,000
SF Expenditure	\$0	\$500,000	\$500,000	\$500,000	\$500,000
Net Effect	\$0	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)

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: Under the bill, the Governor may include in the annual budget bill an appropriation of \$500,000 for the fund for fiscal 2026 and each fiscal year thereafter. Although this is not a mandated appropriation, this analysis assumes that discretionary funding of \$500,000 is provided in fiscal 2026 and annually thereafter. Thus, general fund expenditures increase by \$500,000 annually beginning in fiscal 2026. MDOD special fund revenues increase accordingly.

The bill authorizes MDOD to use the funds for administrative costs and grant funding. MDOD advises that additional staff is required to administer the fund. Therefore, a portion of the funding, \$59,341 in fiscal 2026, is assumed to be used by MDOD to hire one part-time grants coordinator, beginning July 1, 2025, 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. After administrative costs, approximately \$440,659 is available to provide specified nonprofit organizations with grants of up to \$40,000 in a fiscal year to provide specified boating opportunities for individuals with disabilities or service-disabled veterans. A similar amount of funding for grants is available in fiscal 2027 through 2029.

Position	0.5
Salary and Fringe Benefits	\$52,349
Grants	440,659
Operating Expenses	<u>6,992</u>
Total FY 2026 Special Fund Expenditures	\$500,000

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

To the extent a lesser amount of grants is awarded, special fund expenditures are reduced.

Additional Information

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

Designated Cross File: HB 773 (Delegate D. Jones, *et al.*) - Environment and Transportation.

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

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