

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 384 (Delegate Lehman, *et al.*)
 Health and Government Operations

Maryland Disability Service Animal Program - Established

This bill establishes the Maryland Disability Service Animal Program in the Maryland Department of Disabilities (MDOD) to refer “eligible individuals” to selected “nonprofit training entities” to be paired with an appropriate “service animal.” MDOD must select at least one nonprofit entity that meets specified qualifications to carry out elements of the program. A nonprofit training entity may disqualify a program participant under specified circumstances, and a program participant may discontinue involvement in the program for any reason. The bill establishes the Maryland Disability Service Animal Program Fund to pay a nonprofit training entity and cover the costs of administering the program.

Fiscal Summary

State Effect: General fund expenditures increase by *at least* \$201,900 in FY 2026 to capitalize the fund to cover anticipated program costs; special fund revenues and expenditures increase accordingly. Future years reflect annualization and ongoing costs. Special fund revenues may increase by an additional amount beginning in FY 2026 to reflect private donations, gifts, or grants (not shown).

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
SF Revenue	\$201,900	\$257,400	\$261,300	\$265,400	\$269,400
GF Expenditure	\$201,900	\$257,400	\$261,300	\$265,400	\$269,400
SF Expenditure	\$201,900	\$257,400	\$261,300	\$265,400	\$269,400
Net Effect	(\$201,900)	(\$257,400)	(\$261,300)	(\$265,400)	(\$269,400)

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: “Eligible individual” means an individual with a disability, as defined in the federal Americans with Disabilities Act of 1990, 42 U.S.C. § 12102.

“Nonprofit training entity” means a corporation, foundation, or other legal entity that (1) is tax-exempt under § 501(c)(3) of the Internal Revenue Code; (2) engages in the training of service animals for use by eligible individuals; and (3) has been selected by MDOD to provide services.

“Service animal” means an animal that is individually trained to do work or perform tasks for the benefit of an individual with a disability. “Service animal” does not include an animal that (1) as a result of the animal’s presence, is meant to deter crime or (2) provides only emotional support, well-being, comfort, or companionship to an individual.

Maryland Disability Service Animal Program

The purposes of the program are to (1) refer eligible individuals who inquire about participation in the program to one or more nonprofit training entities; (2) provide additional funding mechanisms to assist eligible individuals in the program; and (3) encourage participants who successfully complete the training protocol specified by a nonprofit entity to assist in outreach and referrals to other eligible individuals who could benefit from participation in the program. MDOD must:

- manage, supervise, and administer the program;
- adopt regulations to implement the program and to ensure that fund resources are utilized to carry out the purposes of the program, including regulations establishing procedures for MDOD to (1) promote the program to eligible individuals through MDOD’s outreach methods; (2) refer eligible individuals to selected nonprofit training entities; (3) receive donations for the fund; and (4) use revenue from the fund to pay selected nonprofit training entities for services provided through the program; and
- select at least one nonprofit training entity to (1) develop and implement a training protocol that will teach each program participant methodologies, strategies, and techniques for partnering with service animals; (2) select qualified program participants from those eligible individuals referred to the nonprofit training entity under the program; (3) select an appropriate service animal for each program participant; (4) facilitate each program participant’s training using the nonprofit training entity’s protocol; and (5) partner each successful program participant with the service animal on the program participant’s successful completion of the nonprofit training entity’s training protocol.

To be eligible for selection as a nonprofit training entity, an entity must (1) serve the needs of eligible individuals in the State and (2) generate its own revenue and reinvest the proceeds of that revenue in the growth and development of its programs.

Maryland Disability Service Animal Program Fund

The Secretary of Disabilities must administer the fund. The fund is a special, nonlapsing fund. The fund consists of (1) revenue collected by MDOD in the form of donations to the program; (2) money appropriated in the State budget to the fund; and (3) any other money from any other source accepted for the benefit of the fund. The fund may be used only to pay a nonprofit training entity and for administrative costs of the program. Money expended from the fund is supplemental to, and not intended to take place of, money that would otherwise be appropriated for the program. MDOD may accept gifts or grants for donation to the fund.

Current Law: Pursuant to § 7-701 of the Human Services Article, “service animal” means a guide dog, signal dog, or other animal individually trained to do work or perform tasks for the benefit of an individual with a disability, including (1) guiding individuals with impaired vision; (2) alerting individuals with impaired hearing to an intruder or sounds; (3) providing minimal protection or rescue work; (4) pulling a wheelchair; (5) fetching dropped items; or (6) detecting the onset of a seizure.

Federal Americans with Disabilities Act of 1990

Pursuant to 42 U.S.C. § 12102, “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.

Maryland Children’s Service Animal Program and Fund

Chapters 247 and 248 of 2020 established the Maryland Children’s Service Animal Program and associated fund in the Maryland Department of Health to refer eligible children to selected nonprofit entities to be paired with service or support animals or interact with therapy horses and facilitate their training or therapy.

The purposes of the program are to (1) refer eligible children who may benefit from participation to nonprofit training entities; (2) provide additional funding mechanisms to assist children participating in the program; and (3) expand treatment of children with a history of trauma, post-traumatic stress disorder, or a developmental disability and special health care need.

Since its inception in 2020 through fiscal 2025, the Maryland Children’s Service Animal Program has not been allocated funding in the State budget.

Maryland Veterans Service Animal Program and Fund

Chapter 416 of 2017 established the Maryland Veterans Service Animal Program and Fund. The program is designed to refer eligible veterans to selected nonprofit training organizations to be paired with service dogs or support dogs and facilitate their training. The Maryland Department of Veterans and Military Families (MDVMF) must select at least one nonprofit training entity that meets specified qualifications to carry out elements of the program. Chapter 465 of 2019 expanded the program to include nonprofit training entities that use trained therapy horses for interaction with veterans. MDVMF awarded approximately \$170,000 in grants in fiscal 2024 and anticipates awarding approximately \$212,000 in grants in fiscal 2025 to eligible service animal and equine therapy programs.

State Fiscal Effect: Although the number of potential program participants is unknown, this estimate assumes that MDOD requires at least one additional staff person to administer the program. Based on funding provided by MDVMF under the Maryland Veterans Service Animal Program, the cost to pay a nonprofit training entity is assumed to be at least \$170,000 on an annualized basis.

Thus, MDOD expenditures increase by *at least* \$201,917 in fiscal 2026, which accounts for the bill’s October 1, 2025 effective date. This estimate reflects the cost of hiring one grants coordinator to adopt regulations, administer the program, refer eligible participants to a nonprofit training entity (or entities), and fundraise for the program, as well as estimated funding for at least one nonprofit training entity (to reflect nine months of funding). It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. General fund expenditures are assumed to be used to capitalize the new special fund for these expenses; thus, special fund revenues and expenditures increase accordingly.

Position	1.0
Salary and Fringe Benefits	\$66,548
Funding for at Least One Nonprofit Training Entity	127,500
Operating Expenses	<u>7,869</u>
Minimum FY 2026 State Expenditures	\$201,917

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

Special fund revenues to the Maryland Disability Service Animal Program Fund increase further beginning in fiscal 2026 to the extent that the fund receives private donations,

grants, or gifts. The amount of such revenues cannot be reliably estimated. *For illustrative purposes only*, MDVMF received donations totaling \$1,955 to the Maryland Veterans Service Animal Program Fund in calendar 2018 through 2021, and two donations were received in calendar 2024.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 796 of 2024.

Designated Cross File: SB 157 (Senator Simonaire, *et al.*) - Finance.

Information Source(s): Maryland Department of Disabilities; Maryland Department of Veterans and Military Families; Department of Legislative Services

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js/jc

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