

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 794 (Chair, Appropriations Committee)(By Request -
 Departmental - Governor's Office of Community
 Initiatives)

Appropriations

**Maryland Commission on Indian Affairs - Indian Heritage and Culture Grant
 Program and Fund**

This departmental bill establishes an Indian Heritage and Culture Grant Program, in the Maryland Department of Planning (MDP), to award capital grants that assist Indian tribal communities in preserving their history and culture. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: General fund expenditures increase by \$73,900 in FY 2026. Future years reflect annualization and inflation. Pay-as-you-go (PAYGO) general fund expenditures may increase by \$500,000 annually beginning in FY 2026. Special fund revenues and expenditures increase correspondingly.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
SF Revenue	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
GF Expenditure	\$73,900	\$86,900	\$90,800	\$94,900	\$98,900
SF Expenditure	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
PAYGO GF exp	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Net Effect	(\$573,900)	(\$586,900)	(\$590,800)	(\$594,900)	(\$598,900)

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

Local Effect: Local governments may be affected, as discussed below.

Small Business Effect: The Governor’s Office of Community Initiatives (GOCI) has determined that this bill has a meaningful impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Bill Summary:

Indian Heritage and Culture Grant Program

The bill establishes the Indian Heritage and Culture Grant Program within MDP to assist Indian tribal communities, including nonprofit and governmental entities working in consultation with Indian tribes, in preserving Indian history and culture. MDP must develop and administer the program in partnership with Maryland Commission on Indian Affairs (MCIA).

Indian Heritage and Culture Grant Fund

The bill also establishes the Indian Heritage and Culture Grant Fund, administered by the Maryland Historical Trust (MHT), to provide funding for Indian Heritage and Culture Grants. The fund consists of money appropriated in the State budget to the fund, interest earnings of the fund, any other money from any other source accepted for the benefit of the fund, and money received from the sale of State general obligation (GO) bonds. The fund does not include specified money received by MCIA under existing State law. Expenditures from the fund may only be made in accordance with the State budget, and the fund may only be used for Indian Heritage and Culture Grants.

The Governor may include in the annual operating or capital budget for each fiscal year an appropriation of \$500,000 to the fund.

Application Process

On or before a date established annually by MHT and MCIA, and subject to availability of money in the fund, an Indian tribe, nonprofit organization, political subdivision, or State agency may submit an application for a grant to MHT. The application must include:

- a description of the scope and purpose of the project;
- a building plan that includes the estimated total cost of the project;
- if the eligible grantee is a nonprofit organization, political subdivision, or State agency, a letter of support from an Indian tribal entity attesting to appropriate consultation with that tribal entity; and
- any other information required by MHT and MCIA.

MDP and MCIA must review all grant applications, consider a grant application competitively against all other grant applications submitted during the same fiscal year,

and make recommendations regarding each application to the Secretary of MDP for the award of grants.

In making recommendations, MDP and MCIA must consider:

- the public necessity and urgency of a project;
- the need for additional sources of funding for a project;
- the estimated cost and timeliness of executing a project;
- geographic diversity; and
- any other criteria determined by MHT and MCIA to be relevant.

Grant Awards

The Secretary of Planning must (1) review each grant application and the recommendations made by MDP and MCIA; (2) consider the applications and recommendations under the criteria specified above; and (3) make a final decision to award the grant or deny the application.

The Secretary may award a grant under the program only for a capital project that assists an eligible grantee in acquiring land or buildings or the construction or improvement of land or buildings for (1) Indian tribal and cultural activities; (2) the provision of services to Indian tribal communities; or (3) the preservation of buildings, communities, and sites of historic and cultural importance to the Indian experience in the State.

A grant award may not exceed \$250,000.

Agreement Between Maryland Historical Trust and the Grantee

Unless waived by the Secretary, MHT must require a grantee to enter into an agreement to preserve and maintain the property for which the grant was awarded. If the property is historic real property, the agreement must be a recordable historic preservation easement. The Secretary may waive the requirement that an agreement be entered into if the Secretary determines that an agreement or easement is impracticable, infeasible, or not necessary under the circumstances.

The Secretary, in consultation with MCIA, must adopt regulations to implement the program.

Annual Report

By December 31 each year, MHT and MCIA must report to the Governor and the General Assembly on the financial status and the activities of the program and the fund for the prior fiscal year.

Current Law/Background:

Maryland Commission on Indian Affairs

MCIA, within GOCI, is established in State law to:

- initiate, direct, and coordinate projects that further the understanding of Indian history and culture;
- survey historic buildings, sites, artifacts, archives, and repositories and publish and disseminate the results;
- make a comprehensive study of the influence of indigenous Indian tribes and their influence on Maryland history and culture;
- study the status of all Indian communities in the State and assist them in obtaining recognition from the State and/or federal government;
- study the economic and social needs of Indians in the State and make recommendations to meet these needs;
- locate, preserve, and disseminate to the public information about significant buildings and sites relating to Indian history and culture in the State; and
- publish an annual report and any other material the commission considers necessary.

MCIA indicates that, in addition to serving the interests of Native American communities in the State by aiding in the process of obtaining State and/or federal recognition, the commission, through various means, (1) promotes awareness and better understanding of the historic and contemporary contributions of Native Americans to the State and (2) assists State, local, and private agencies in providing resources to address the educational, social, and economic needs of Native American communities in the State.

Maryland Historical Trust

MHT is established in State law as a body corporate and an instrumentality of the State, and is given various authority and duties in statute, including to (1) carry out programs and activities to protect, preserve, and encourage the preservation of historic properties; (2) administer programs of financial and technical assistance for historic preservation projects; and (3) make recommendations on the certification and eligibility of historic properties for tax incentives and other programs of public assistance.

State Fiscal Effect:

Capital Funding

PAYGO general fund expenditures may increase by \$500,000 annually, beginning in fiscal 2026, to provide funds for capital project grants under the Indian Heritage and Culture Grant Program, to the extent the Governor includes funding in the annual operating budget for the grants. Appropriation of capital funding for the program is assumed to only potentially affect PAYGO general fund expenditures funded through the operating budget. The debt-supported portion of the State’s capital program (consisting primarily of GO bond proceeds) is determined annually through the capital budget process and subject to debt affordability limits; unless appropriations under the bill are funded with PAYGO general funds, the appropriations are assumed to limit funding available for other State capital projects but not increase overall expenditures.

Special fund revenues to and expenditures from the Indian Heritage and Culture Grant Fund increase correspondingly each year, reflecting receipt of the appropriated funds and spending from the fund as grants are awarded to grantees under the program.

Administrative Costs

General fund expenditures increase by \$73,917 for fiscal 2026, which accounts for a 90-day start-up delay. This estimate reflects the cost for MHT to hire an administrator in order for MHT to handle work associated with the application process and grants management under the program. Existing MHT cannot absorb the increase in workload. With MHT’s administrative support, MCIA can handle its role in administering the program with existing resources. The estimate includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$66,548
Operating Expenses	<u>7,369</u>
Total FY 2026 State Expenditures	\$73,917

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

Local Fiscal Effect: Local government grant revenues and corresponding expenditures may increase beginning in FY 2026 to the extent local jurisdictions apply for and receive grants under the program.

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 Budget and Management; Maryland Department of Planning; Governor's Office of Community Initiatives; Department of Legislative Services

Fiscal Note History: First Reader - February 17, 2025
km/sdk

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Maryland Commission on Indian Affairs – American Indian Heritage and Culture Grant Program

BILL NUMBER: HB 794

PREPARED BY: E. Keith Colston

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The American Indian Heritage and Culture Grant Program will bring visibility for American Indians and programming in Maryland. By focusing on the culture, history, customs and arts, we can have a positive impact for Maryland's economy and income for the tribal members. Creating and fostering in the following categories: professional educators, tribal consultants, performing/visual artists, ecologists, archaeologists and management professionals; all contributing to the economy and growing the Maryland. Tourism and Marketing specific to American Indians is a \$14 billion-dollar industry in the United States (Native Tourism Research & Data. Maryland can become a major competitor. Job creation and placement would be required to provide human resources required in the forementioned categories. Increasing Maryland's economic competitiveness, connecting Marylanders to jobs and making Maryland a state of service.