

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 558 (Senators Ready and Gallion)
 Education, Energy, and the Environment

General Assembly - Fiscal Notes - Family Impact Statement

This bill requires that a fiscal and policy note prepared for a bill by the Department of Legislative Services (DLS) must include a family impact statement (1) indicating whether the bill may or will have an impact on families in the State; (2) if the bill may or will have an impact on families in the State, specifying the basis for the assessment and the type and category of impact, including influence on marriage and family stability, marriage promotion, family formation, and family welfare; and (3) specifying the basis and methodology used in the analysis. A committee of the General Assembly may not vote on a bill unless the required family impact statement is attached to or included in the fiscal and policy note.

Fiscal Summary

State Effect: General fund expenditures increase by \$602,500 in FY 2026 for staffing and consultant services. Future years reflect annualization, inflation, and the elimination of one-time consultant costs. State agencies can likely provide information to DLS using existing budgeted resources, as discussed below. Revenues are not affected.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	602,500	476,500	497,700	520,000	542,100
Net Effect	(\$602,500)	(\$476,500)	(\$497,700)	(\$520,000)	(\$542,100)

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

Local Effect: Local governments can provide information to DLS using existing budgeted resources. No effect on local revenues.

Small Business Effect: None.

Analysis

Current Law: There is no requirement in State law for a fiscal and policy note to include a family impact statement.

DLS must prepare a fiscal and policy note for each bill considered by the General Assembly. Generally, a standing committee of the General Assembly may not vote on a bill unless the bill is accompanied by a fiscal and policy note.

A fiscal and policy note prepared by DLS must contain:

- an estimate of the fiscal impact of the bill on the revenues and expenditures of the State government and local governments for five years beginning with the year the bill takes effect. If the bill's full fiscal impact is not expected to occur during that time, the analysis must include an estimate for each year until and including the first year the impact occurs;
- for a bill that requires a mandated appropriation in the State budget, a statement to that effect and an estimate of the fiscal impact of the mandated appropriation;
- for a bill that imposes a mandate on a unit of local government, a statement to that effect and an estimate of the fiscal impact of the local mandate, including the effect on local property tax rates;
- an analysis of the bill's economic impact on small businesses; and
- a list of sources of information used in preparing the fiscal impact estimates.

DLS must prepare a revised fiscal and policy note as soon as possible following the adoption of an amendment that changes the fiscal impact of a bill. A revised fiscal and policy note is typically prepared when a bill passes third reading in the house of origin and crosses over for consideration by the second house.

Upon request by DLS, a unit of State or local government must promptly provide any information requested by DLS for preparing a fiscal and policy note. Statute also specifies that, in order to facilitate the preparation of the analyses of the fiscal, legal, and policy impact of proposed legislation, a unit of State government must respond to a request by the Office of Policy Analysis (OPA) within three business days, unless that requirement is waived. In practice, OPA typically sets a deadline for each request that is five business days after the request is sent, although this can vary depending on when the legislation is scheduled for a hearing.

State Expenditures: Over the past five legislative sessions, an average of 2,516 bills have been introduced in each session. Due to the workload resulting from the bill's requirement to prepare a family impact statement for *each bill* introduced by a member of the General Assembly, DLS requires additional staff. Therefore, general fund expenditures

increase by \$602,479 in fiscal 2026, which accounts for the bill’s October 1, 2025 effective date. This estimate reflects the cost of hiring five policy analysts to develop family impact statements for each bill introduced by a member of the General Assembly. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. It also includes one-time contractual costs for a consultant to assist with the development of a framework for assessing family impacts as required by the bill.

Positions	5.0
Salaries and Fringe Benefits	\$365,635
Contractual Services	200,000
Operating Expenses	<u>36,844</u>
Total FY 2026 State Expenditures	\$602,479

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses and the termination of one-time consultant costs.

It is expected that State agencies can provide information to DLS to assist in the preparation of a family impact statement for each fiscal and policy note using existing resources. DLS notes that, for family impact statements, the Department of Human Services (DHS) may receive more requests for information from DLS than other agencies. However, DHS advises that it can provide information to DLS using existing resources.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 867 of 2024.

Designated Cross File: HB 1487 (Delegate Mangione) - Rules and Executive Nominations.

Information Source(s): Maryland Municipal League; Department of Human Services; Department of Legislative Services

Fiscal Note History: First Reader - February 19, 2025
km/mcr

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