



Wes Moore, Governor
Aruna Miller, Lt. Governor
Josh Kurtz, Acting Secretary

January 19, 2023

BILL NUMBER: Senate Bill 112 – First Reader

SHORT TITLE: State Finance and Procurement – Grants – Prompt Payment Requirement

DEPARTMENT’S POSITION: LETTER OF INFORMATION WITH AMENDMENTS

EXPLANATION OF DEPARTMENT’S POSITION

The department processes grant payments upon successful verification of grant requirements. This may involve site visits or other prolonged communication with the grant recipient in order to ensure grant requirements are met before payments are processed. The five-day review period is unrealistic when necessary visits and meetings with attendees from various non-State organizations are required in order to be in compliance with the terms of the grant. Additional staff would be needed to meet the departmental timelines of the bill as introduced, although that would not ensure all involved parties will be able to complete the review on time. Once payments are processed by DNR, they then go to the Comptroller’s Office for final processing. The department has no control over the amount of time the Comptroller might require. There is not an identified fund source to pay interest should the timelines in the bill not be met.

The Department is offering an amendment to exempt the Department of Natural Resources from the provisions of this bill which is consistent with a prior iteration of this legislation.

BACKGROUND INFORMATION

The Department provides grants to various organizations and local governments for purposes such as recreation, land conservation, and environmental stabilization and restoration. The Department enters into grant agreements that lay out requirements to meet in order to receive payments of such grants.

BILL EXPLANATION

This bill would require payment of grants within 30 days of the grant agreement due date, or later upon submission of a proper invoice. If payment is not made by this timeline, interest would be due.

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BY:

(To be offered in the Budget and Taxation Committee)

AMENDMENT TO SENATE BILL 112

(First Reading File Bill)

On page 3, in line 5, after “government;” insert: “(2) made by the
Department of Natural Resources;”;

and in line 6, strike “(2)” and substitute “(3)”.