



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1216

PRINTER'S NO. 1595

PRIME SPONSOR: Salisbury

COST / (SAVINGS)

FUND	FY 2022/23	FY 2023/24
General Fund	\$0	See fiscal impact
Municipal Grant Assistance Program Fund	\$0	See fiscal impact

SUMMARY:

This bill would create the Municipal Grant Assistance Program and the Municipal Grant Assistance Program Fund and impose duties on the Department of Community and Economic Development. It would become effective in 60 days.

ANALYSIS:

This bill would create the Municipal Grant Assistance Program to help certain municipalities that lack the expertise and resources to find and apply for grants that they may qualify for. Under this bill, a municipality is defined as "a city of the third class, borough, incorporated town or township." The program would be established within the Department of Community and Economic Development, which is tasked with implementing and administering the program. DCED must also develop a training program to teach municipal employees and officials how to develop projects, find grant application opportunities, and apply for grants.

DCED may establish the program within an existing departmental municipal technical assistance program. The department is authorized to hire new personnel, dedicate current personnel, or contract with a third party to implement and administer the program. The department must, within 90 days of the effective date of this legislation, develop and publish guidelines for the implementation and administration of this program, including:

- A list of eligible grant writers participating in the program within the commonwealth.
- The application procedures and guidelines for municipalities.
- The development and delivery of grant writing training to commence within six months following the effective date of this section.
- The criteria for fund allocations and municipal matching fund requirements.
- The limitations on fund use.
- The disbursements from the fund.

To be eligible for a grant to obtain grant-writing services, a municipality must meet certain criteria, including:

- The municipality may not currently have an employee whose primary responsibility is grant writing.
- The municipality has adopted and is implementing an active strategic management planning program plan, recovery plan, exit plan, or receivership plan adopted under the Municipalities Financial Recovery Act **OR** the municipality must have at least 25% of all census tracts within the municipality designated as low-income census tracts.

The bill also establishes the Municipal Grant Assistance Program Fund in the State Treasury. All money in the fund is appropriated on a continuing basis for the purposes of this act, and any interest accrued on money in the fund shall be deposited into the fund.

DCED may establish an advisory committee to accept stakeholder input on administration of the program. This committee may include municipal officials, representatives from the Bureau of Charitable Organizations within the Department of State, municipal associations, economic development agencies, and chambers of business and industry. Within five years of the effective date of this legislation, the Local Government Commission shall provide a report to the General Assembly on the funding and effect of the program.

FISCAL IMPACT:

The Department of Community and Economic development is tasked with implementing and administering the Municipal Grant Assistance Program. Though the department is authorized to hire new personnel or contract with third parties for the implementation and administration of this program, the department indicates they believe they can implement and administer the program using current staff. Therefore, there is no fiscal impact on the commonwealth for administration and implementation through DCED.

The Municipal Grant Assistance Program Fund is established in the state treasury and will receive funds as appropriated on a continuing basis for DCED. The fiscal impact will vary depending on the appropriation made by the General Assembly.

PREPARED BY: Chris Fetterman
House Appropriations Committee (D)

DATE: June 28, 2023

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.