

Department of Legislative Services
 Maryland General Assembly
 2021 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 251
 Appropriations

(Delegate Carr)

Education, Health, and Environmental Affairs

**Maryland Funding Accountability and Transparency Act - Real Property
 Records Improvement Fund and Nonbudgeted State Agencies**

This emergency bill alters the Maryland Funding Accountability and Transparency Act to require the Department of Information Technology (DoIT) to update payment data on the existing searchable website on a monthly basis (by the 15th day of the month that follows the month in which an agency makes a payment to a payee). The bill also requires nonbudgeted State agencies to submit their payment data for inclusion in the website, repeals obsolete language, and makes stylistic changes. Additionally, the bill authorizes the Judiciary to transfer up to \$12.0 million of its fiscal 2021 general fund appropriation to the Circuit Court Real Property Records Improvement Fund on or before June 30, 2021. Any amount transferred under the bill may not revert to the general fund.

Fiscal Summary

State Effect: Special fund revenues increase by up to \$12.0 million in FY 2021; general fund revenues decrease by the same amount, as discussed below. Nonbudgeted expenditures increase by at least \$18,000 only in FY 2021, as discussed below. In addition, general fund expenditures for the Comptroller’s Office may increase beginning as early as FY 2022 (not shown below).

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
GF Revenue	(\$12,000,000)	\$0	\$0	\$0	\$0
SF Revenue	\$12,000,000	\$0	\$0	\$0	\$0
NonBud Exp.	\$18,000	\$0	\$0	\$0	\$0
Net Effect	(\$18,000)	\$0	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

Maryland Funding Accountability and Transparency Act

The Maryland Funding Accountability and Transparency Act of 2008 (Chapter 659) requires DoIT to develop and operate a free, public, searchable website that includes detailed information on State payments of \$25,000 or more, beginning with data for fiscal 2008. Payments to State employees and retirees as compensation or retirement allowance, respectively, are exempt from inclusion on the website. The site is also required to include a search function that allows the public to submit queries based on, at a minimum:

- the name and zip code of the payee receiving a payment;
- the amount of a payment; and
- the agency making a payment.

The website must allow the user to search the data for fiscal 2008 and each year thereafter. State agencies must provide appropriate assistance to the Secretary of Information Technology to ensure the existence and ongoing operation of the website.

Circuit Court Real Property Records Improvement Fund

The Circuit Court Real Property Records Improvement Fund supports the operating and equipment expenses of the land records offices of the clerks of the circuit courts as well as the Judiciary's major information technology (IT) development projects. The fund is managed and supervised by the State Court Administrator with advice from a five-member oversight committee. Revenues for the fund are generated through a recordation surcharge on all real estate transactions and other specified court surcharges.

State Revenues: The bill authorizes the transfer of up to \$12.0 million from the Judiciary's fiscal 2021 general fund appropriation to the Circuit Court Real Property Records Improvement Fund on or before June 30, 2021. Assuming the Judiciary exercises its authority to transfer funds, special fund revenues for the Judiciary increase by up to \$12.0 million in fiscal 2021; under the assumption that, absent the bill, those funds would have reverted to the general fund, general fund revenues decrease by the same amount.

State Expenditures: DoIT, in consultation with the Department of Budget and Management (DBM), operates the website on the [Maryland Transparency Portal](#).

Currently, the website is updated on an annual basis to include the most recent budget appropriation and audited financial data from the prior fiscal year.

DoIT can extract data from the State's Financial Management Information System (FMIS) to upload monthly financial data on the website with existing resources. DoIT and DBM can train nonbudgeted agencies on how to submit the required data with existing resources. However, nonbudgeted State government units that do not use FMIS may incur additional expenses to submit data.

MDTA estimates one-time IT costs of \$18,000 to extract the requested data from its financial system and provide it to DoIT. Based on an analysis of similar prior legislation, the Maryland Environmental Service may also experience minimal one-time IT costs. Thus, nonbudgeted expenditures increase by at least \$18,000, presumably in fiscal 2021 (due to the bill's emergency status), for nonbudgeted agencies to meet the bill's reporting requirements.

Comptroller's Office

Under current law, DoIT uploads *audited* financial data from FMIS to the website following the end of each fiscal year. Thus, neither the Comptroller's Office nor DoIT conducts any significant quality control on the data being uploaded. The bill requires that *unaudited* financial data be uploaded on a monthly basis. The Comptroller's Office indicates that it may want to verify the data being transferred to DoIT, but the bill does not require it to do so. To the extent that the Comptroller's Office elects to manage and verify the data, general fund expenditures increase by about \$55,000 annually to hire a fiscal accounts technician beginning in fiscal 2022.

Additional Information

Prior Introductions: HB 71 of 2020, a similar bill, passed the House and was referred to the Senate Education, Health, and Environmental Affairs Committee, but no further action was taken on the bill.

Designated Cross File: SB 244 (Senator Lam) - Education, Health, and Environmental Affairs.

Information Source(s): Department of Budget and Management; Comptroller's Office; Maryland Department of Labor; Department of Information Technology; Judiciary (Administrative Office of the Courts); Maryland Automobile Insurance Fund; Maryland Food Center Authority; Maryland Department of Transportation; Treasurer's Office; Department of Legislative Services

Fiscal Note History:
rh/mcr

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