

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 881

(Senator Zucker)

Budget and Taxation

Appropriations

Public Health – Federally Qualified Health Centers Grant Program – Recovery
of Funding

This bill alters the number of years after completion of a project within which the State may recover an amount incurred for a project under the Federally Qualified Health Centers (FQHC) Grant Program if the property has been sold or transferred, as specified, or ceases to be an FQHC. The State may not recover an amount incurred for a project (1) if the property was leased by the FQHC, more than 15 years after completion of the project or (2) if the property was owned by the FQHC, more than 30 years after completion of the project.

Fiscal Summary

State Effect: Any workload resulting from the bill can be handled with existing budgeted resources. General fund revenues may increase by an indeterminate amount sooner than expected due to acceleration of the State’s right of recovery for certain properties.

Local Effect: The bill does not directly affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law: Chapter 277 of 2005 established the FQHC Grant Program. Grants awarded under this capital program may be used for projects involving a facility designated as an FQHC under § 330 of the federal Public Health Service Act and wholly owned and operated by a county, municipal corporation, or nonprofit organization.

Any county, municipal corporation, or nonprofit organization that is sponsoring a project involving the construction, acquisition, renovation, or equipping of an FQHC may apply to the Maryland Department of Health for a State grant toward the cost of the project. A State grant must provide up to 75% of the eligible costs remaining after any federal grant is applied, or, if the project is designated as eligible for poverty area funding, up to 90% of the eligible costs remaining after any federal grant is applied. The county, municipal corporation, or nonprofit organization sponsoring the project is responsible for providing matching funds for the remaining cost.

The State may recover funds provided for a project in an amount calculated as specified, together with all costs and reasonable attorneys' fees incurred by the State in the recovery proceedings, if, within 30 years after completion of a project, the property (1) is sold or transferred to any person, agency, or organization that would not qualify as an applicant under the program, or that is not approved as a transferee by the Board of Public Works or (2) ceases to be an FQHC.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Association of Counties; Maryland Municipal League; Department of Budget and Management; Maryland Department of Health; Board of Public Works; Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2024
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Analysis by: Amberly E. Holcomb

Direct Inquiries to:
(410) 946-5510
(301) 970-5510