

SENATE BILL 556

P1, P2

9lr1285
CF 9lr3008

By: **Senators Jones, Miller, Brinkley, Colburn, Conway, Currie, DeGrange, Exum, Forehand, Frosh, Garagiola, Gladden, Glassman, Greenip, Haines, Harrington, Harris, Jacobs, Kasemeyer, Kelley, King, Kittleman, Klausmeier, Lenett, Madaleno, McFadden, Middleton, Munson, Muse, Peters, Pinsky, Pugh, Raskin, Robey, Simonaire, Stoltzfus, Stone, and Zirkin**

Introduced and read first time: February 5, 2009

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **State Funding Accountability Act**

3 FOR the purpose of requiring certain grantees that receive certain State aid to submit
4 a report to the Department of Budget and Management by a certain date;
5 requiring the report to contain certain information and be provided in a certain
6 form; requiring the Department to develop and operate a certain searchable
7 website providing certain information; authorizing the Office of Legislative
8 Audits to conduct certain audits of certain grantees that receive at least a
9 certain appropriation or grant in the operating or capital budget or from the
10 action of a unit of State government; requiring the Office of Legislative Audits
11 to identify for a certain audit a certain percentage of grantees each year;
12 defining certain terms; and generally providing for the reporting and auditing of
13 certain grantees receiving certain State aid.

14 BY adding to

15 Article – State Finance and Procurement
16 Section 7–406
17 Annotated Code of Maryland
18 (2006 Replacement Volume and 2008 Supplement)

19 BY repealing and reenacting, with amendments,

20 Article – State Government
21 Section 2–1220(b)
22 Annotated Code of Maryland
23 (2004 Replacement Volume and 2008 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article – State Finance and Procurement**

4 **7-406.**

5 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
6 MEANINGS INDICATED.

7 (2) “DEPARTMENT” MEANS THE DEPARTMENT OF BUDGET AND
8 MANAGEMENT.

9 (3) (I) “GRANTEE” MEANS A FOR PROFIT OR NONPROFIT
10 ENTITY OR ASSOCIATION THAT RECEIVES STATE AID DURING A FISCAL YEAR.

11 (II) “GRANTEE” DOES NOT INCLUDE A UNIT OF STATE OR
12 LOCAL GOVERNMENT.

13 (4) “STATE AID” MEANS A CONTRIBUTION, GRANT, OR SUBSIDY
14 OF MONEY PROVIDED THROUGH THE STATE OPERATING OR CAPITAL BUDGET
15 OR BY THE ACTION OF A UNIT OF STATE GOVERNMENT FROM STATE FUNDS
16 APPROPRIATED TO THAT UNIT.

17 (B) (1) A GRANTEE SHALL SUBMIT A REPORT AS PROVIDED IN THIS
18 SUBSECTION TO THE DEPARTMENT ON OR BEFORE SEPTEMBER 1 AFTER THE
19 CLOSE OF EACH FISCAL YEAR IN WHICH THE GRANTEE RECEIVES STATE AID.

20 (2) THE REPORT SHALL CONTAIN:

21 (I) A SUMMARY OF THE PURPOSE FOR WHICH THE STATE
22 AID WAS PROVIDED;

23 (II) THE NUMBER OF JOBS CREATED OR RETAINED AS A
24 RESULT OF THE STATE AID;

25 (III) THE AMOUNT AND SOURCE OF ANY FUNDS OTHER THAN
26 STATE AID THE GRANTEE WAS ABLE TO SECURE FOR THE PURPOSE FOR WHICH
27 THE STATE AID WAS PROVIDED OR AS A RESULT OF THE STATE AID;

28 (IV) A DESCRIPTION OF HOW THE STATE AID SERVED THE
29 CITIZENS OF THE STATE; AND

1 (V) **THE NUMBER OF CITIZENS SERVED AS A RESULT OF THE**
2 **STATE AID.**

3 (3) **THE REPORT SHALL BE IN THE FORM AND FORMAT,**
4 **INCLUDING ELECTRONIC FORMAT, THAT THE DEPARTMENT REQUIRES.**

5 (C) (1) **THE DEPARTMENT SHALL DEVELOP AND OPERATE A**
6 **SEARCHABLE WEBSITE, ACCESSIBLE TO THE PUBLIC AT NO COST THROUGH THE**
7 **INTERNET.**

8 (2) **THE SEARCHABLE WEBSITE SHALL CONTAIN THE**
9 **INFORMATION REQUIRED UNDER SUBSECTION (B) OF THIS SECTION AND BE**
10 **SEARCHABLE BY THE NAME OF THE GRANTEE OR BY THE GENERAL SUBJECT**
11 **MATTER OF THE STATE AID.**

12 (D) **A GRANTEE IS SUBJECT TO AUDIT BY THE STATE LEGISLATIVE**
13 **AUDITOR AS PROVIDED UNDER § 2-1220(B) OF THE STATE GOVERNMENT**
14 **ARTICLE.**

15 **Article – State Government**

16 2-1220.

17 (b) (1) If the General Assembly, by resolution, or the Joint Audit
18 Committee so directs, the Office of Legislative Audits shall conduct an audit or review
19 of a corporation or association to which the General Assembly has appropriated money
20 or that has received funds from an appropriation from the State Treasury.

21 (2) **THE OFFICE OF LEGISLATIVE AUDITS MAY CONDUCT AN**
22 **AUDIT OR REVIEW OF THE USE OF STATE AID BY A GRANTEE AS DEFINED IN §**
23 **7-406 OF THE STATE FINANCE AND PROCUREMENT ARTICLE AND THE**
24 **ACCURACY OF THE REPORT FILED UNDER § 7-406 OF THE STATE FINANCE AND**
25 **PROCUREMENT ARTICLE IF THE GRANTEE IS APPROPRIATED OR GRANTED**
26 **MORE THAN \$100,000 IN THE STATE OPERATING OR CAPITAL BUDGET OR BY**
27 **THE ACTION OF A UNIT OF STATE GOVERNMENT FROM STATE FUNDS**
28 **APPROPRIATED TO THAT UNIT.**

29 (3) (1) **ON OR BEFORE THE BEGINNING OF EACH FISCAL YEAR,**
30 **THE OFFICE OF LEGISLATIVE AUDITS SHALL:**

31 1. **SPECIFY A PERCENTAGE OF GRANTEES REQUIRED**
32 **TO FILE A REPORT UNDER § 7-406 OF THE STATE FINANCE AND PROCUREMENT**
33 **ARTICLE THAT WILL BE SUBJECT TO AUDIT AND REVIEW; AND**

1 **2. REPORT THE SPECIFIED PERCENTAGE TO THE**
2 **LEGISLATIVE POLICY COMMITTEE.**

3 **(II) EACH FISCAL YEAR, THE OFFICE OF LEGISLATIVE**
4 **AUDITS SHALL AUDIT OR REVIEW THE SPECIFIED PERCENTAGE OF GRANTEEES**
5 **REQUIRED TO FILE A REPORT UNDER § 7-406 OF THE STATE FINANCE AND**
6 **PROCUREMENT ARTICLE.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 June 1, 2009.