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By: **Delegates Cluster, DeBoy, Goodwin, and Kelley**  
Introduced and read first time: February 13, 2004  
Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Task Force on the Exemption of Law Enforcement Officers' Pensions from**  
3                                   **Taxation**

4 FOR the purpose of establishing a Task Force on the Exemption of Law Enforcement  
5 Officers' Pensions from Taxation; establishing the membership of the Task  
6 Force; requiring that Task Force members be appointed by a certain date;  
7 requiring the Governor to designate a chairman of the Task Force; requiring the  
8 State Retirement Agency to staff the Task Force; providing that a Task Force  
9 member is entitled to reimbursement for certain expenses; requiring the Task  
10 Force to study the issue of exempting members of certain retirement or pension  
11 systems from paying State income taxes on their pensions; requiring the Task  
12 Force to report to the Governor and General Assembly on or before a certain  
13 date; providing for the termination of this Act; and generally relating to the Task  
14 Force on the Exemption of Law Enforcement Officers' Pensions from Taxation.

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
16 MARYLAND, That:

17 (a) There is a Task Force on the Exemption of Law Enforcement Officers'  
18 Pensions from Taxation.

19 (b) The Task Force consists of the following members:

20 (1) two members of the Senate, appointed by the President of the Senate;

21 (2) two members of the House of Delegates, appointed by the Speaker of  
22 the House;

23 (3) the Secretary of Budget and Management, or the Secretary's  
24 designee;

25 (4) the State Treasurer, or the Treasurer's designee;

26 (5) the Comptroller of Maryland, or the Comptroller's designee;

27 (6) the Executive Director of the State Retirement Agency, or the  
28 Executive Director's designee;

1 (7) one representative of members of the State Police Retirement  
2 System, appointed by the Governor; and

3 (8) one representative of members of the Law Enforcement Officers'  
4 Pension System, appointed by the Governor.

5 (c) The members of the Task Force shall be appointed on or before June 30,  
6 2004.

7 (d) The Governor shall designate the chairman of the Task Force.

8 (e) The State Retirement Agency shall provide staff for the Task Force.

9 (f) A member of the Task Force:

10 (1) may not receive compensation; but

11 (2) is entitled to reimbursement for expenses under the Standard State  
12 Travel Regulations, as provided in the State budget.

13 (g) The Task Force shall study the issue of exempting members of the State  
14 Police Retirement System, the Law Enforcement Officers' Pension System, the Local  
15 Fire and Police System, and any local pension or retirement system for law  
16 enforcement officers from paying State income taxes on their pensions, including:

17 (1) the benefit that members of these retirement or pension systems  
18 derive from such an exemption;

19 (2) the impact on State revenues and the ongoing structural budget  
20 deficit;

21 (3) the impact on the State Retirement and Pension System; and

22 (4) the administrative and legal changes necessary to implement such an  
23 exemption.

24 (h) The Task Force shall report its findings to the Governor and, in accordance  
25 with § 2-1246 of the State Government Article, the General Assembly, on or before  
26 December 31, 2004.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
28 June 1, 2004. It shall remain effective for a period of 8 months and, at the end of  
29 January 31, 2005, with no further action required by the General Assembly, this Act  
30 shall be abrogated and of no further force and effect.