

BY: Conference Committee

AMENDMENTS TO HOUSE BILL NO. 147

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, strike "Property Tax Reduction and"; strike beginning with "phasing" in line 20 down through "counties;" in line 21; and in line 23, strike "a certain fiscal year" and substitute "certain fiscal years".

On page 2, strike beginning with "authorizing" in line 2 down through "purposes;" in line 3 and substitute "altering the authorized uses of a certain fund;"; in line 3, strike "a certain fiscal year" and substitute "certain fiscal years"; in line 8, after "year;" insert "repealing a requirement that the State and the counties share the costs of educating certain children with disabilities; prohibiting the State from billing local boards of education for certain services provided for children and adolescents at certain facilities; requiring the Department of Health and Mental Hygiene to continue to provide certain services that were provided at certain facilities as of a certain date; allowing local boards of education to contribute to the cost of certain services provided for children and adolescents at certain facilities;"; strike beginning with "requiring" in line 8 down through "year;" in line 9; in line 13, after "grants;" insert "exempting certain medications from prior authorization requirements under certain pharmacy assistance programs;"; in the same line, strike beginning with "altering" through "program;"; in line 17, after "Commissions;" insert "exempting certain nonprofit health maintenance organizations from the insurance premium tax; requiring certain nonprofit health maintenance organizations to transfer certain funds to a certain Medical Assistance Program Account; requiring certain nonprofit health maintenance organizations to file certain reports with the Maryland Insurance Commission on or before a certain date; requiring the Department of Health and Mental Hygiene to apply for certain waivers under certain circumstances;"; in line 25, after "purposes;" insert "providing for the manner of accounting for the proceeds of certain refunding bonds;"; strike beginning with "providing" in line 31 down through "purposes;" in line 33; and strike beginning with "reducing" in line 35 down through "Fund;" in line 38.

On pages 2 and 3, strike beginning with "providing" in line 38 on page 2 down through

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“coal;” in line 2 on page 3.

On page 3, strike beginning with “and” in line 12 down through “renewed” in line 13; in line 13, strike “issuing authority” and substitute “Commissioner”; in line 16, after “manner;” insert “exempting motor fuel purchased by the Department of General Services for use by State agencies from the State motor fuel tax; authorizing certain claims for refunds of motor fuel tax;”; in line 39, strike “to”; in line 40, after “manner;” insert “altering the commission that a licensed agent of the State Lottery Agency is required to be paid on sales made during a year;”; strike beginning with “altering” in line 41 down through “purposes;” in line 43 and substitute “deferring certain payments for private donation incentives; providing for the amounts of certain grants for a certain fiscal year; authorizing the use of certain funds for certain purposes under certain circumstances for a certain fiscal year;”; and strike beginning with “stating” in line 44 down through “rate;” in line 46.

On page 4, strike beginning with “requiring” in line 4 down through “programs;” in line 7 and substitute “requiring that certain State funds available under Program Open Space be used to make a certain grant to Baltimore City;”; in line 8, after “System;” insert “providing that a certain appropriation in the State budget for a certain fiscal year be used solely for the purpose appropriated and may not be transferred to any other program or purpose; providing for the allocation of certain grants based on certain formulas; requiring the Governor to include in the budget bill for a certain fiscal year a certain general fund appropriation for a certain purpose;”; strike beginning with “requiring” in line 9 down through “circumstances;” in line 13; and in line 13, before “making” insert “stating certain intent of the General Assembly; requiring certain studies and reports; authorizing the Department of Transportation to spend certain federal funds for the purpose of completing a certain study on a magnetic levitation transportation system; requiring the Department of Health and Mental Hygiene to submit a certain certification to certain committees of the General Assembly before submitting certain regulations for legislative review; providing that for certain qualified rehabilitation projects for which a certain application was submitted before a certain date, the qualified rehabilitation expenditures for which a certain tax credit may be claimed may exceed a certain stated estimated amount, subject to a certain limitation;”.

AMENDMENT NO. 2

On page 4, strike in their entirety lines 23 through 27, inclusive.

On page 5, in line 15, strike the first comma and substitute “and”; in the same line, strike “, and 17-104(d)”; after line 29, insert:

“BY adding to

Article - Health - General

Section 10-406(d) and 15-119
Annotated Code of Maryland
(2000 Replacement Volume and 2004 Supplement)”;

in line 32, after “13-1115(a)(2),” insert “13-1116(a), 13-1117(a), 13-1118(a),”; and in line 33, strike “15-124(b)(2),”.

On page 6, after line 4, insert:

“BY repealing and reenacting, with amendments,
Article - Health - General
Section 19-727
Annotated Code of Maryland
(2000 Replacement Volume and 2004 Supplement)
(As enacted by Chapter 5 of the Acts of the General Assembly of the 2004 Special Session)”;

after line 9, insert:

“BY repealing and reenacting, with amendments,
Article - Insurance
Section 6-101, 6-102(b), and 6-103
Annotated Code of Maryland
(2003 Replacement Volume and 2004 Supplement)
(As enacted by Chapter 5 of the Acts of the General Assembly of the 2004 Special Session)”

BY adding to
Article - Insurance
Section 6-121
Annotated Code of Maryland
(2003 Replacement Volume and 2004 Supplement)”;

and in line 33, after “7-324(d),” insert “8-131(g),”.

On page 7, in line 17, strike “and 3-216(g)(3)”; in line 27, strike “8-406(b)”; in line 28, strike

“and”; and in the same line, after “13-203(c)” insert “, and 13-901(f)(1)(ii)2.”.

On page 8, in line 2, after “Section” insert “9-303(d).”; and strike in their entirety lines 7 through 11, inclusive.

On page 9, after line 26, insert:

“BY repealing and reenacting, with amendments,

Article - State Government

Section 9-117

Annotated Code of Maryland

(2004 Replacement Volume)”.

AMENDMENT NO. 3

On page 12, in line 13, strike “THE” and substitute “ANY”; in the same line, strike “ANY” and substitute “THE”; in line 23, strike “FISCAL YEAR 2006” and substitute “FISCAL YEARS 2006 THROUGH 2010”; and in line 27, strike “2006” and substitute “2010”.

AMENDMENT NO. 4

On page 16, in line 24, strike “FISCAL YEAR 2006” and substitute “FISCAL YEARS 2006 THROUGH 2010”.

AMENDMENT NO. 5

On page 43, after line 34, insert:

“9-303.

(D) THE MOTOR FUEL TAX DOES NOT APPLY TO MOTOR FUEL THAT IS BOUGHT BY THE DEPARTMENT OF GENERAL SERVICES FOR USE BY STATE AGENCIES.”.

On page 46, after line 10, insert:

“13-901.

(f) (1) A claim for refund of motor fuel tax may be filed by a claimant who pays the tax on:

(ii) motor fuel, as defined in § 9-101 of this article, that:

2. is bought by:

A. the United States or a unit of the United States government;

[or]

B. THE DEPARTMENT OF GENERAL SERVICES FOR USE
BY STATE AGENCIES; OR

[B.] C. a person who is required to pay a tax on the same fuel to
another state;”.

AMENDMENT NO. 6

On pages 21 and 22, strike in their entirety the lines beginning with line 30 on page 21 through line 2 on page 22, inclusive.

AMENDMENT NO. 7

On page 56, in line 37, strike “available for capital improvements”.

AMENDMENT NO. 8

On page 31, strike in their entirety lines 31 through 36, inclusive, and substitute:

“(IV) FOR THE FISCAL YEAR BEGINNING JULY 1, 2005, \$68,223,132
SHALL BE ALLOCATED TO THE GENERAL FUND OF THE STATE AND THE REMAINDER
SHALL BE ALLOCATED AS PROVIDED IN SUBSECTION (D) OF THIS SECTION.”.

On page 32, strike beginning with “DEDICATED” in line 31 down through “BONDS” in line 34 and substitute “TRANSFERRED TO THE GENERAL FUND OF THE STATE”.

On page 54, strike in their entirety lines 32 through 37, inclusive, and substitute:

“SECTION 20. AND BE IT FURTHER ENACTED, That, to the extent it is fiscally prudent, the General Assembly will consider a reduction in the State property tax rate for fiscal year 2007.”.

On page 56, strike in their entirety lines 9 through 23, inclusive, and substitute:

“SECTION 23. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal year 2006, \$1,500,000 of the State’s share of funds available under Program Open Space shall be used to make a grant to Baltimore City in accordance with § 5-903(a)(2)(ii) of the Natural Resources Article.”.

AMENDMENT NO. 9

On pages 10 and 11, strike in their entirety the lines beginning with line 26 on page 10 through line 19 on page 11, inclusive.

AMENDMENT NO. 10

On pages 57 and 58, strike in their entirety the lines beginning with line 3 on page 57 through line 3 on page 58, inclusive.

AMENDMENT NO. 11

On page 17, strike beginning with “or” in line 25 down through “Article” in line 27.

On page 19, after line 1, insert:

“10-406.

(D) (1) BEGINNING IN FISCAL YEAR 2007, THE DEPARTMENT MAY NOT BILL A LOCAL BOARD OF EDUCATION FOR ANY SERVICES PROVIDED BY THE STATE AT A REGIONAL INSTITUTE FOR CHILDREN AND ADOLESCENTS.

(2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION:

(I) BEGINNING IN FISCAL YEAR 2007, THE DEPARTMENT SHALL

CONTINUE TO PROVIDE THE SAME SCOPE OF SERVICES AT REGIONAL INSTITUTES FOR CHILDREN AND ADOLESCENTS THAT WERE PROVIDED AS OF JANUARY 1, 2005; AND

(II) A LOCAL BOARD OF EDUCATION MAY MAKE A CONTRIBUTION TOWARD THE COST OF SERVICES PROVIDED BY THE STATE AT A REGIONAL INSTITUTE FOR CHILDREN AND ADOLESCENTS.”.

AMENDMENT NO. 12

On page 18, strike in their entirety lines 10 through 19, inclusive.

On page 58, after line 30, insert:

“SECTION 30. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the most accurate full-time equivalent enrollment figures be used in calculating the State general funds per full-time equivalent student for determining State aid under the Senator John A. Cade Funding Formula, the Joseph A. Sellinger Program, and the Baltimore City Community College Funding Formula. The Maryland Higher Education Commission shall study the accuracy of the enrollment figures used presently and any alternatives that would improve accuracy and report the results of the study and recommendations to the Senate Budget and Taxation Committee, the House Committee on Appropriations, and the House Committee on Ways and Means, in accordance with § 2-1246 of the State Government Article, by October 1, 2005.”.

AMENDMENT NO. 13

On pages 34 and 35, strike in their entirety the lines beginning with line 31 on page 34 through line 16 on page 35, inclusive.

AMENDMENT NO. 14

On page 55, in line 2, strike “\$45,000,000” and substitute “\$48,500,000”; in lines 6 and 11, in each instance, strike “\$217,406,748” and substitute “\$216,468,853”; in lines 8 and 13, in each instance, strike “\$1,848,218,347” and substitute “\$1,846,276,347”; and strike in their entirety lines 14 through 43, inclusive.

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AMENDMENT NO. 15

On page 58, strike in their entirety lines 26 through 30, inclusive.

AMENDMENT NO. 16

On page 51, in line 25, after "PROVIDED" insert "IN"; after line 33, insert:

“(II) THE PROGRAM MAY INCLUDE DISEASE MANAGEMENT PROGRAMS;”;

and in line 34, strike "(II)" and substitute "(III)".

On page 52, in lines 7 and 10, in each instance, strike the period and substitute a semicolon; in line 8, strike "(III)" and substitute "(IV)"; in lines 9 and 13, in each instance, strike "(II)" and substitute "(III)"; in line 11, strike "(IV)" and substitute "(V)"; and in line 13, after "\$700" insert "; AND

(VI) THE PRESCRIPTION DRUG BENEFIT PLAN MAY INCLUDE THE FOLLOWING PROGRAMMATIC CHANGES:

1. IMPLEMENTATION OF A STEP THERAPY PROGRAM TO ASSURE THAT LOWER COST ALTERNATIVES ARE USED FIRST;

2. CHANGES IN THE PHARMACY NETWORK;

3. LIMITATIONS ON THE FIRST PRESCRIPTION FOR A MAINTENANCE DRUG;

4. LIMITATIONS ON THE QUANTITY OF DRUGS DISPENSED TO REDUCE INAPPROPRIATE OR EXCESSIVE DRUG USAGE;

5. REQUIREMENTS FOR PRIOR AUTHORIZATION OF DRUGS TO ENSURE THAT THEY ARE MEDICALLY NECESSARY; AND

6. IMPLEMENTATION OF A DRUG UTILIZATION REVIEW

PROGRAM".

AMENDMENT NO. 17

On page 56, in lines 25 and 30, in each instance, after "Policy" insert "Analysis".

AMENDMENT NO. 18

On page 14, in line 17, strike "After" and substitute "BEGINNING IN"; and in line 19, strike "2008" and substitute "2004".

AMENDMENT NO. 19

On page 20, after line 27, insert:

"13-1116.

(a) (1) FOR FISCAL YEAR 2007 AND EACH SUBSEQUENT FISCAL YEAR, THE GOVERNOR SHALL INCLUDE AT LEAST \$10,400,000 IN THE ANNUAL BUDGET IN APPROPRIATIONS FOR THE STATEWIDE ACADEMIC HEALTH CENTER CANCER RESEARCH GRANTS UNDER THIS SECTION.

(2) Subject to the other provisions of this section, the Department may distribute Statewide Academic Health Center Cancer Research Grants to the University of Maryland Medical Group and the Johns Hopkins Institutions for the purpose of enhancing cancer research activities that may lead to a cure for a targeted cancer and increasing the rate at which cancer research activities are translated into treatment protocols in the State.

13-1117.

(a) (1) FOR FISCAL YEAR 2007 AND EACH SUBSEQUENT FISCAL YEAR, THE GOVERNOR SHALL INCLUDE AT LEAST \$2,000,000 IN THE ANNUAL BUDGET IN APPROPRIATIONS FOR THE STATEWIDE ACADEMIC HEALTH CENTER TOBACCO-RELATED DISEASES RESEARCH GRANT UNDER THIS SECTION.

(2) Subject to the other provisions of this section, the Department may distribute a

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Statewide Academic Health Center Tobacco-Related Diseases Research Grant to the University of Maryland Medical Group for the purpose of enhancing research activities that may lead to a reduction in morbidity and mortality rates for tobacco-related diseases in the State.

[(2)] (3) This section may not be implemented until funds are specifically allocated in the State budget for this purpose.

13-1118.

(a) (1) FOR FISCAL YEAR 2007 AND EACH SUBSEQUENT FISCAL YEAR, THE GOVERNOR SHALL INCLUDE AT LEAST \$3,000,000 IN THE ANNUAL BUDGET IN APPROPRIATIONS FOR THE STATEWIDE ACADEMIC HEALTH CENTER NETWORK GRANT UNDER THIS SECTION.

(2) The Department may distribute a Statewide Academic Health Center Network Grant to the University of Maryland Medical Group for the purpose of establishing a statewide network that will support a wide range of prevention, education, screening, treatment, and research programs relating to targeted cancers and tobacco-related diseases that can be accessed by individuals throughout the State, including:

[(1)] (I) Support services aimed at increasing participation of diverse populations in clinical trials;

[(2)] (II) Development of best practices models to address targeted cancers and tobacco-related diseases; and

[(3)] (III) Coordination among local hospitals, community clinics, physicians, and other health care providers in different geographic areas of the State.”.

AMENDMENT NO. 20

On page 54, strike beginning with “and” in line 5 down through “Up” in line 7 and substitute “only, up”; in line 7, after “be” insert “transferred by budget amendment from the Cigarette Restitution Fund and”; strike beginning with “; and” in line 10 down through “Article” in line 14; and after line 14, insert:

“SECTION 16. AND BE IT FURTHER ENACTED, That, contingent on the appropriation by approved budget amendment of the amount provided in Section 15 of this Act, and notwithstanding § 7-317 of the State Finance and Procurement Article or any other provision of law, for fiscal 2006 only, funds may be appropriated and transferred by budget amendment from unexpended revenues and balances of the Cigarette Restitution Fund in the following amounts for the purposes specified:

(a) Contingent on the Cigarette Restitution Funds available for expenditure in fiscal 2006 exceeding \$122,738,000, \$3,500,000 to the Maryland State Department of Education for Challenge Grants to be provided to all of the eligible schools that received grants in fiscal 2005, in proportion to the grants received in fiscal 2005.

(b) Contingent on the Cigarette Restitution Funds available for expenditure in fiscal 2006 exceeding \$126,238,000 and the approval of a budget amendment appropriating the amount for the purpose specified in subsection (a) of this section, \$6,700,000 for grants to the University of Maryland Medical Group and the Johns Hopkins Institutions authorized under § 13-1114 of the Health - General Article, in proportion to the grants received in fiscal 2005.

(c) Contingent on the Cigarette Restitution Funds available for expenditure in fiscal 2006 exceeding \$132,938,000 and the approval of a budget amendment appropriating the amount for the purpose specified in subsection (b) of this section, \$1,200,000 to the State Department of Education, to be distributed as Literacy Works Grants in order to reduce the waiting list for adult education and literacy services.

(d) Contingent on Chapter _____ (S.B. 586) of the Acts of the General Assembly of 2005 taking effect, the Cigarette Restitution Funds available for expenditure in fiscal 2006 exceeding \$134,138,000, and the approval of a budget amendment appropriating the amount for the purpose specified in subsection (c) of this section, \$150,000 to the Department of Labor, Licensing, and Regulation for the Maryland Summer Youth Connection Program.

(e) Contingent on the Cigarette Restitution Funds available for expenditure in fiscal 2006 exceeding \$134,288,000, and contingent on the approval of a budget amendment appropriating the

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amount for the purpose specified in subsection (d) of this section, if Chapter ____ (S.B. 586) of the Acts of the General Assembly of 2005 is enacted, or on the approval of a budget amendment appropriating the amount specified in subsection (c) of this section, if Chapter ____ (S.B. 586) is not enacted, \$847,000 to the State Department of Education for the funding of family support centers.

(f) Contingent on the Cigarette Restitution Funds available for expenditure in fiscal 2006 exceeding \$135,135,000 and the approval of a budget amendment appropriating the amount for the purpose specified in subsection (e) of this section, \$1,000,000 to the State Department of Education for the purchase of textbooks and computer hardware and software for nonpublic schools to be expended in accordance with the requirements of R00A03.04 Aid to Non-Public Schools in the budget bill.

SECTION 17. AND BE IT FURTHER ENACTED, That the Governor shall include \$3,788,827 in the budget bill for fiscal year 2007 for the Challenge Grant Program in the Maryland State Department of Education (R00A02.54) to provide grants to eligible schools in the same amounts that were provided in fiscal year 2005.”.

AMENDMENT NO. 21

On page 48, after line 21, insert:

“SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Health - General

15-119.

(A) (1) THIS SECTION DOES NOT APPLY TO DRUGS COVERED BY MANAGED CARE ORGANIZATIONS UNDER § 15-103 OF THIS SUBTITLE.

(2) THIS SECTION APPLIES TO THE MARYLAND PHARMACY ASSISTANCE PROGRAM DEVELOPED UNDER § 15-124 OF THIS SUBTITLE, THE MARYLAND PHARMACY DISCOUNT PROGRAM DEVELOPED UNDER § 15-124.1 OF THIS SUBTITLE, AND ANY OTHER PHARMACY ASSISTANCE PROGRAM DEVELOPED BY

THE DEPARTMENT.

(B) ATYPICAL ANTIPSYCHOTIC MEDICATIONS SHALL BE EXEMPT FROM PRIOR AUTHORIZATION REQUIREMENTS UNDER THE PROGRAM.”.

On page 59, after line 6, insert:

“SECTION 41. AND BE IT FURTHER ENACTED, That Section 4 of this Act shall remain effective for a period of 2 years and, at the end of June 30, 2007, with no further action required by the General Assembly, Section 4 of this Act shall be abrogated and of no further force and effect.”.

AMENDMENT NO. 22

On page 23, after line 18, insert:

“19-727.

(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A health maintenance organization is not exempted from any State, county, or local taxes solely because of this subtitle.

(B) (1) A NONPROFIT HEALTH MAINTENANCE ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE IS NOT SUBJECT TO THE INSURANCE PREMIUM TAX UNDER TITLE 6, SUBTITLE 1 OF THE INSURANCE ARTICLE.

(2) PREMIUMS RECEIVED BY AN INSURER UNDER POLICIES THAT PROVIDE HEALTH MAINTENANCE ORGANIZATION BENEFITS ARE NOT SUBJECT TO THE PREMIUM TAX IMPOSED UNDER TITLE 6, SUBTITLE 1 OF THE INSURANCE ARTICLE TO THE EXTENT:

(I) OF THE AMOUNTS ACTUALLY PAID BY THE INSURER TO A NONPROFIT HEALTH MAINTENANCE ORGANIZATION THAT OPERATES ONLY AS A HEALTH MAINTENANCE ORGANIZATION; OR

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(II) THE PREMIUMS HAVE BEEN PAID BY THAT NONPROFIT HEALTH MAINTENANCE ORGANIZATION.

Article - Insurance

6-101.

(a) The following persons are subject to taxation under this subtitle:

(1) a person engaged as principal in the business of writing insurance contracts, surety contracts, guaranty contracts, or annuity contracts;

(2) a managed care organization authorized by Title 15, Subtitle 1 of the Health - General Article;

(3) a FOR-PROFIT health maintenance organization authorized by Title 19, Subtitle 7 of the Health - General Article;

(4) an attorney in fact for a reciprocal insurer;

(5) the Maryland Automobile Insurance Fund; and

(6) a credit indemnity company.

(b) The following persons are not subject to taxation under this subtitle:

(1) a nonprofit health service plan corporation that meets the requirements established under §§ 14-106 and 14-107 of this article;

(2) a fraternal benefit society;

(3) a surplus lines broker, who is subject to taxation in accordance with Title 3, Subtitle 3 of this article;

(4) an unauthorized insurer, who is subject to taxation in accordance with Title 4, Subtitle 2 of this article;

(5) the Maryland Health Insurance Plan established under Title 14, Subtitle 5, Part I of this article; [or]

(6) the Senior Prescription Drug Program established under Title 14, Subtitle 5, Part II of this article; OR

(7) A NONPROFIT HEALTH MAINTENANCE ORGANIZATION AUTHORIZED BY TITLE 19, SUBTITLE 7 OF THE HEALTH - GENERAL ARTICLE THAT IS EXEMPT FROM TAXATION UNDER § 501 (C)(3) OF THE INTERNAL REVENUE CODE.

6-102.

(b) Premiums to be taxed include:

(1) the consideration for a surety contract, guaranty contract, or annuity contract;

(2) gross receipts received as a result of capitation payments, supplemental payments, and bonus payments, made to a managed care organization for provider services to an individual who is enrolled in a managed care organization;

(3) subscription charges or other amounts paid to a FOR-PROFIT health maintenance organization on a predetermined periodic rate basis by a person other than a person subject to the tax under this subtitle as compensation for providing health care services to members;

(4) dividends on life insurance policies that have been applied to buy additional insurance or to shorten the period during which a premium is payable; and

(5) the part of the gross receipts of a title insurer that is derived from insurance business or guaranty business.

6-103.

(Over)

The tax rate is:

(1) 0% for premiums for annuities; and

(2) 2% for all other premiums, including:

(i) gross receipts received as a result of capitation payments made to a managed care organization, supplemental payments, and bonus payments; and

(ii) subscription charges or other amounts paid to a FOR-PROFIT health maintenance organization.

6-121.

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

(2) “NONPROFIT HEALTH MAINTENANCE ORGANIZATION” MEANS A HEALTH MAINTENANCE ORGANIZATION AUTHORIZED BY TITLE 19, SUBTITLE 7 OF THE HEALTH - GENERAL ARTICLE THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.

(3) “PREMIUM TAX EXEMPTION VALUE” MEANS THE AMOUNT OF PREMIUM TAXES THAT A NONPROFIT HEALTH MAINTENANCE ORGANIZATION WOULD HAVE BEEN REQUIRED TO PAY IF THE NONPROFIT HEALTH MAINTENANCE ORGANIZATION WERE NOT EXEMPT FROM TAXATION UNDER § 6-101(B)(7) OF THIS SUBTITLE.

(B) (1) A NONPROFIT HEALTH MAINTENANCE ORGANIZATION SHALL TRANSFER FUNDS IN AN AMOUNT EQUAL TO THE PREMIUM TAX EXEMPTION VALUE OF THE NONPROFIT HEALTH MAINTENANCE ORGANIZATION TO THE MEDICAL ASSISTANCE PROGRAM ACCOUNT ESTABLISHED UNDER TITLE 19, SUBTITLE 8 OF THIS ARTICLE TO BE USED TO SUPPORT THE PROVISION OF HEALTH CARE TO

ELIGIBLE INDIVIDUALS.

(2) NOTWITHSTANDING THE ALLOCATION PROVIDED UNDER § 19-803(B) OF THIS ARTICLE, THE AMOUNT TRANSFERRED TO THE MEDICAL ASSISTANCE PROGRAM ACCOUNT BY A NONPROFIT HEALTH MAINTENANCE ORGANIZATION UNDER PARAGRAPH (1) OF THIS SUBSECTION:

(I) SHALL BE ALLOCATED DIRECTLY TO THE MEDICAL ASSISTANCE PROGRAM ACCOUNT; AND

(II) SHALL BE COUNTED TOWARDS THE TOTAL ALLOCATION REQUIRED TO THE MEDICAL ASSISTANCE PROGRAM ACCOUNT UNDER § 19-803 (B)(3)(II)2, (III)2, (IV)2, AND (V)2 OF THIS ARTICLE.

(C) A NONPROFIT HEALTH MAINTENANCE ORGANIZATION SHALL TRANSFER TO THE MEDICAL ASSISTANCE PROGRAM ACCOUNT:

(1) ON OR BEFORE AUGUST 1, 2005, AN AMOUNT EQUAL TO THE PREMIUM TAX EXEMPTION VALUE OF THE NONPROFIT HEALTH MAINTENANCE ORGANIZATION FOR THE LAST 6 MONTHS OF FISCAL YEAR 2005; AND

(2) WITHIN 30 DAYS FOLLOWING THE END OF EACH CALENDAR QUARTER, AN AMOUNT EQUAL TO THE PREMIUM TAX EXEMPTION VALUE OF THE NONPROFIT HEALTH MAINTENANCE ORGANIZATION FOR THE QUARTER.

(D) ON OR BEFORE MARCH 1 OF EACH YEAR, A NONPROFIT HEALTH MAINTENANCE ORGANIZATION SHALL FILE A REPORT WITH THE COMMISSIONER ESTABLISHING THAT THE NONPROFIT HEALTH MAINTENANCE ORGANIZATION TRANSFERRED FUNDS EQUAL TO ITS PREMIUM TAX EXEMPTION VALUE DURING THE PRECEDING CALENDAR YEAR AS REQUIRED BY THIS SECTION.”.

On page 59, after line 4, insert:

“SECTION 38. AND BE IT FURTHER ENACTED, That the Department of Health and

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Mental Hygiene shall apply to the federal Department of Health and Human Services for any waivers required under 42 CFR § 433.68 to effect the changes to § 19-727 of the Health - General Article and §§ 6-101 and 6-121 of the Insurance Article, as enacted by Section 1 of this Act. The Department of Health and Mental Hygiene, within 5 days after receiving the decision of the Department of Health and Human Services, shall forward a copy of the decision to the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401. If a waiver is not approved, the changes to § 19-727 of the Health - General Article and §§ 6-101 and 6-121 of the Insurance Article, as enacted by Section 1 of this Act, shall be null and void without the necessity of any further action by the General Assembly.

SECTION 39. AND BE IT FURTHER ENACTED, That the exemption from the insurance premium tax for nonprofit health maintenance organizations under § 6-101(b)(7) of the Insurance Article, as enacted by Section 1 of this Act, shall be applicable to all subscription charges or other amounts paid to a nonprofit health maintenance organization on or after January 1, 2005. Notwithstanding any other provision of law, on or before August 1, 2005, the Maryland Insurance Commissioner shall refund any premium tax paid before July 1, 2005, by a nonprofit health maintenance organization that is exempt from the premium tax under § 6-101(b)(7) of the Insurance Article, as enacted by Section 1 of this Act.”.

AMENDMENT NO. 23

On page 58, after line 25, insert:

“SECTION 28. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, \$90,751,833 of the appropriation contained in the State budget for the fiscal year ending June 30, 2005, program N00G00.09, Purchase of Child Care, shall be used solely for the purpose appropriated and may not be transferred to any other program or purpose.”.

AMENDMENT NO. 24

On page 28, after line 5, insert:

“8-131.

(g) (1) The Treasurer shall invest and apply proceeds of a sale of bonds issued under this section to ensure that the principal and redemption premium of, and interest on, the bonds that

are being refunded will be paid in full when due.

(2) The Treasurer may deposit any part of the proceeds of the sale of bonds issued under this section in a trust fund with a trust company or other banking institution, in the name of the State.

(3) The trustee may invest and reinvest money in the trust fund in:

(i) obligations of the United States;

(ii) obligations guaranteed by the United States;

(iii) certificates of deposit or time deposits secured by an obligation of the United States;

(iv) certificates of deposit or time deposits secured by an obligation guaranteed by the United States; or

(v) any obligation or other investment described in § 6-222(a) of this article.

(4) Interest, income, and profits on the investment may be applied in any lawful manner, including to the payment of:

(i) the bonds that are being refunded; and

(ii) the bonds issued under this section.

(5) The trustee shall make money in the trust fund available, as the Board requires, for the payment of:

(i) the principal and redemption premium of, and interest on, the bonds that are being refunded;

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(ii) the principal and redemption premium of, and interest on, the bonds issued under this section; or

(iii) any other related costs.

(6) THE COMPTROLLER SHALL ACCOUNT FOR THE PROCEEDS OF A SALE OF BONDS ISSUED UNDER THIS SECTION AS NONBUDGETED FUNDS.”.

On page 59, in line 3, after “That” insert “, except as otherwise provided in this section,”; and in line 4, after “July 1, 2005.” insert “Section 8-131(g) of the State Finance and Procurement Article, as enacted by Section 1 of this Act, shall take effect June 1, 2005.”.

AMENDMENT NO. 25

On page 57, after line 2, insert:

“SECTION 27. AND BE IT FURTHER ENACTED, That:

(a) (1) Notwithstanding any other provision of law, and except as provided in paragraph (2) of this subsection, in fiscal year 2007 the Maryland Department of Aging shall allocate federal grants to local agencies under titles IIIB, IIIC1, IIIC2, and IIIE of the Older Americans Act based on formulas in effect on January 1, 2004.

(2) The Title IIIE formula for the Family Caregiver Program may be changed to reflect an increase in age criteria.

(b) The Governor shall include in the budget bill for fiscal year 2007 a general fund appropriation in an amount not less than \$442,210 to the Maryland Department of Aging to supplement federal grants to local agencies under titles IIIB, IIIC1, IIIC2, and IIIE of the Older Americans Act.

(c) In fiscal year 2007, these funds shall be allocated to the local Area Agencies on Aging in the following manner:

| | |
|-----------------------|------------------|
| <u>Allegany</u> | <u>\$ 88,910</u> |
| <u>Baltimore City</u> | <u>\$ 52,770</u> |

| | |
|--|-------------|
| <u>Cecil</u> | \$ 998 |
| <u>MAC, Inc. (Dorchester, Somerset, Wicomico, and Worcester)</u> | \$199,734 |
| <u>Queen Anne's</u> | \$ 14,850 |
| <u>Upper Shore Aging, Inc. (Caroline, Kent, and Talbot)</u> | \$ 50,898 |
| <u>Washington</u> | \$ 34,050". |

AMENDMENT NO. 26

On page 45, in line 17, strike the brackets; and in the same line, strike "2008".

On page 53, after line 16, insert:

"SECTION 9. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - State Government

9-117.

(a) (1) During a calendar year, a licensed agent shall receive regular commissions of [5%] 5.5% of the licensed agent's gross receipts from ticket sales made during that year.

(2) A licensed agent may further receive a cashing fee not to exceed 3% of valid prizes paid for services rendered in cashing winning tickets.

(b) (1) The Commission may authorize the payment of special bonuses or incentives to licensed agents and their employees.

(2) The total of the bonuses and incentives may not exceed one-half of 1% of the gross receipts from ticket sales for the year for which the bonuses or incentives are awarded.

(3) Lottery sales agents may not offer patrons inducements of alcoholic beverages to purchase or redeem lottery tickets.

(c) Unless otherwise expressly provided by a lease for premises on which lottery tickets

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are sold, whenever lottery tickets are sold by a licensed agent on premises subject to rent that is wholly or partially based on a percentage of gross sales or receipts, the tenant responsible for payment of the rent may calculate that portion of the rent arising from the sale of lottery tickets solely on the basis of:

(1) the commission received by the licensed agent on the sale of those tickets; and

(2) in the case of instant lottery tickets, the difference between the price paid by the licensed agent in purchasing the tickets from the Agency and the price for which they were sold by the agent.”.

AMENDMENT NO. 27

On pages 48 and 49, strike in their entirety the lines beginning with line 22 on page 48 through line 10 on page 49, inclusive.

On page 59, strike in their entirety lines 7 and 8.

AMENDMENT NO. 28

On pages 35 through 37, strike in their entirety the lines beginning with line 20 on page 35 through line 4 on page 37, inclusive.

On pages 41 and 42, strike in their entirety the lines beginning with line 16 on page 41 through line 2 on page 42, inclusive.

On page 58, before line 26, insert:

“SECTION 29. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that legislation shall be passed in the 2006 legislative session that provides for a phase-out and repeal of the Maryland-mined coal tax credit.”.

AMENDMENT NO. 29

On page 39, in line 13, after “(1)” insert “(I)”; in line 18, strike “(2)” and substitute “(II)”; in line 19, strike “PARAGRAPH (1) OF THIS SUBSECTION” and substitute “SUBPARAGRAPH (I) OF THIS PARAGRAPH”; and after line 21, insert:

“(2) THE TAX IMPOSED UNDER SUBSECTION (B) OF THIS SECTION DOES NOT APPLY WITH RESPECT TO THE DIRECT OR INDIRECT DISTRIBUTIVE SHARE OR PRO RATA SHARE OF A MEMBER THAT IS A REAL ESTATE INVESTMENT TRUST AS DEFINED BY § 856 OF THE INTERNAL REVENUE CODE.”.

AMENDMENT NO. 30

On page 58, before line 31, insert:

“SECTION 31. AND BE IT FURTHER ENACTED, That, notwithstanding § 7-402(c) of the Transportation Article or any other provision of law, during calendar year 2005 only, the Department of Transportation may process a budget amendment for the expenditure of an amount not to exceed \$1,000,000 in federal funds for the purpose of completing a final environmental impact statement on a magnetic levitation transportation (MAGLEV) system. No additional federal funds may be expended for any other purpose related to the study, development, or construction of a MAGLEV system.

SECTION 32. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, before submitting regulations to the Joint Committee on Administration, Executive, and Legislative Review to alter managed care organization capitation payments to reflect the across-the-board payment reduction assumed in the fiscal 2006 budget, the Department of Health and Mental Hygiene shall submit an actuarial certification of the sufficiency of the revised rates to the Senate Budget and Taxation Committee and the House Appropriations Committee, in accordance with § 2-1246 of the State Government Article.

SECTION 33. AND BE IT FURTHER ENACTED, That:

(a) The Department of Health and Mental Hygiene shall, in consultation with the Department of Legislative Services, the Maryland Hospital Association, the academic health centers, the Health Services Cost Review Commission, and the Medicaid managed care organizations (MCOs), study the impact of using academic health centers on the HealthChoice program.

(b) The study shall:

(Over)

(1) determine whether there are financial disincentives regarding use of academic health centers or their affiliated hospital-based clinics;

(2) examine whether the State should continue to assure access to academic health center clinics; and

(3) consider the current relationships between MCOs and the academic health centers and their affiliates.

(c) On or before July 1, 2005, the Department shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the Senate Budget and Taxation Committee, the Senate Finance Committee, the House Appropriations Committee, and the House Health and Government Operations Committee on its findings and recommendations.

(d) The report should include:

(1) an analysis of the potential implications of implementing a reimbursement methodology for hospital-based clinics affiliated with academic health centers and rate-regulated by the Health Services Cost Review Commission similar to that used for federally qualified health centers;

(2) recommendations for any indicated regulatory or legislative changes impacting MCO rates for calendar year 2006; and

(3) options, if indicated, to assist the academic health centers outside of the MCO rate setting process.

(e) It is the intent of the General Assembly that the Health Services Cost Review Commission shall consider the findings and recommendations of the report prior to making any determinations regarding managed care organizations.

SECTION 34. AND BE IT FURTHER ENACTED, That:

(a) The General Assembly finds that:

(1) an enhancement to the retirement benefits of public school teachers would assist the State and local governments in achieving the requirement for a highly qualified teacher in every classroom under No Child Left Behind; and

(2) an enhancement to the retirement benefits of State employees is a necessary requirement to maintain a high quality workforce.

(b) During the 2005 legislative interim, the Joint Committee on Pensions shall study options to enhance retirement benefits for teachers and State employees and shall develop legislation to provide an enhancement for introduction in the 2006 Session of the Maryland General Assembly.

SECTION 35. AND BE IT FURTHER ENACTED, That, notwithstanding Article 83B, § 5-801(a)(9)(iii) of the Code, as enacted by Chapter 541 of the Acts of the General Assembly of 2002 and as in effect on June 1, 2002, if an application for approval of a plan of proposed rehabilitation for a commercial rehabilitation, as defined in Article 83B, § 5-801 of the Code, was submitted to the Director of the Maryland Historical Trust before June 1, 2002, the qualified rehabilitation expenditures for the commercial rehabilitation on which the heritage structure rehabilitation tax credit under Article 83B, § 5-801 of the Code is based may exceed the estimated amount of proposed rehabilitation expenditures stated in the application for approval of the plan of proposed rehabilitation; provided, however, that the amount of the credit allowed for any commercial rehabilitation that is subject to this section may not exceed the credit that would otherwise be allowed by more than \$250,000.”.

AMENDMENT NO. 31

On page 53, in lines 17, 21, 28, 35, and 40, strike “9.”, “10.”, “11.”, “12.”, and “13.”, respectively, and substitute “10.”, “11.”, “12.”, “13.”, and “14.”, respectively.

On page 54, in lines 3, 15, 24, and 38, strike “14.”, “15.”, “16.”, and “18.”, respectively, and substitute “15.”, “18.”, “19.”, and “21.”, respectively.

On page 56, in lines 1, 24, 34, and 39, strike “20.”, “22.”, “23.”, and “24.”, respectively, and substitute “22.”, “24.”, “25.”, and “26.” respectively.

(Over)

On page 58, in line 31, strike "27." and substitute "36.".

On page 59, in lines 3, 5, 9, 13, 18, 21, and 23, strike "28.", "29.", "31.", "32.", "33.", "34.", and "35.", respectively, and substitute "37.", "40.", "42.", "43.", "44.", "45.", and "46.", respectively; in line 4, strike "3" and substitute "4"; in line 21, strike "Section 9" and substitute "Sections 9 and 10"; and in line 24, strike "28 through 34" and substitute "37 through 45".